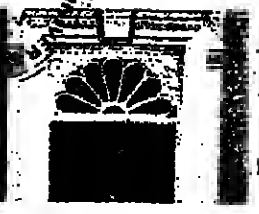
Weekend FT

Inside section II



A century of British sleaze

Page I

Barbie the plastic virgin at 35

Page XI

Adrift between sea and sky

Page XII

The new chips

Vanishing into the unbelievable

Page 7

FINANCIAL TIMES

Europe's Business Newspaper — WEEKEND OCTOBER 29/OCTOBER 30 1994 — D8523A

Tobacco companies to be banned from advertising in China

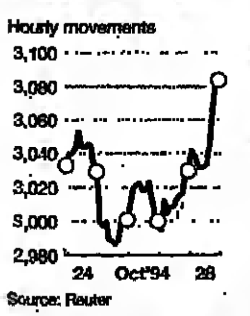
China plans to ban cigarette advertising in the media and in public places, threatening moves by foreign tobacco companies to expand into potentially the world's most lucrative market. The Chinese smoke one-third of the world's cigarettes. Philip Morris and RJR Nabisco of the US and Rothmans International of the UK have established manufacturing joint ventures in China, and other companies are exporting. Page 24; BAT's uphill task to secure approval, Page 2

Santer close to Brussels deal: Jacques Santer, next president of the European Commission, was last night close to a deal over the share-out of new portfolios, the first test of his grip on colleagues and clout with member states. Page 24; Rome names EU commissioners, Page 2

Clinton reassures Kuwait: US president Bill Clinton arrived in Saudi Arabia on the final leg of his Middle East tour, having reassured Kuwait thet Iraq would never again be allowed to threaten its security. Page 3

Serbs hold British officers: Four British army officers have been held for three days by the Bosnian Serb Army, the Ministry of Defence said. They are part of a UK liaison team working with local communities. Bosnia fighting shifts in Moslems' favour, Page 2

Footsie surges in late afternoon trading



Source: Reuter

The FT-SE 100 Share Index surged ahead yesterday in late afternoon trading, backed up by gains in British government bonds and in stock index futures, and finally by a hurst of strength in early deals on Wall Street. The Footsie closed 54.2 up at 3,083.8, only a touch off the day's high and showing a gain of around 1.8 per cent over the week, almost all of which came after 3pm yesterday. London stocks, Page 13; World stocks, Page 21; Markets, Weekend II

Bonn coalition promises savings: The three parties in German chancellor Helmut Kohl's new government emerged from their first session of talks promising to modernise Germany while keeping tight control of its finances. Page 2

Halifax to re-test sales staff: Halifax Building Society, one of the UK's largest personal finance organisations, is to withdraw its 600-strong financial services sales force for re-testing, after discovering failures to meet regulators' standards. Page 5

BMW heads for record sales: German carmaker BMW said turnover was outstripping record levels reached in 1992. Sales, excluding those of recently-acquired UK group Rover, rose 8.5 per cent to DM23.8bn ($15.9bn) at nine months. Page 10

Malaysia expects 8.5% growth: Malaysian finance minister Anwar Ibrahim forecast that the country's economy would grow by 8.5 per cent this year, the seventh consecutive year of plus 8 per cent growth. Page 3

Claims provisions hit Aetna earnings: Earnings at US insurance group Aetna were hit by further additions to reserves to meet environmental claims during the third quarter, contributing to a 25 per cent fall in operating earnings. Page 10

Mixed first half for Japanese industry: Japan's heavy industry manufacturers and shipbuilders reported mixed first-half results due to the yen's sharp appreciation and a weak domestic economy. Page 9

Weather hits Ajinomoto profits: First-half profits of Ajinomoto, Japan's leading food manufacturing company, were hit by hot summer weather, the discounting boom and increased competition from imports. Interim recurring profits fell 13.1 per cent to Y11bn ($110m). Page 9

Morgan Stanley to advise Rome on Stet: US investment bank Morgan Stanley won a fiercely fought contest to advise the Italian government on the privatisation of Stet, the state controlled telecommunications holding company. Page 10

Award for FT writer: Financial Times writer Peter Knight, who contributes regularly to the Technology Page, received the British Environment and Media Award in the non-specialist category for his articles in the FT.

Companies in this issue

Russian villagers fear health effects of oil spill

By John Thornhill in Kolva, Komi Republic, and John Lloyd in Moscow

For Mrs Cheslava Potova, mayor of the tiny settlement of Kolva on the river of the same name, the amount of oil that has seeped into the land around her village recently has been a difference only of degree.

"The pollution in the river is such that there are hardly any fish left – it had been a staple food here. Now, when you catch one, it reeks of oil," she said.

The oil spill from a temporary dam, caused by a ruptured pipe, prompted international fears this week about an environmental disaster in the Arctic. But the reaction by the authorities bas been slow – oil oozed into the river a month ago and it took three days for "specialists" to arrive for the clean-up.

"I don't say people were afraid, but they do think of the future and want to make sure this does not happen again. People were very unsettled and upset," Mrs Potova said.

"We drink milk from the cows and we eat food grown in the soil all about us. We do not know how much oil it might contain. The hanks of the river are already polluted with oil, and people are worried about their health."

In Usinsk, the nearest large town, 40km from the spill, Mr Yevgeny Leskin, director-general of the Komi Arctic Oil joint venture, revealed why the area's inhabitants should worry.

"Such accidents are not uncommon in Russia, though this one was more serious than most. The accident happened in mid-August, but the rains broke the dam only in September. The oil flooded the marshes. The workers tried to dam the flow into the Kolva river but we reckon about 2,500 tonnes got into it."

Mr Leskin, whose company helped with the clean-up, said about 11,000 tonnes of oil remain in the marshes. He insisted it would be cleared before the April thaw, which could spread it again.

The Russian environment ministry said yesterday that offers of help from abroad would not be taken up until the scale of the accideot was fully known.

Accounts of the amount of oil leaked vary from the official inquiry report of 14,000 tonnes to US calculations of 100,000 tonnes. Komi authorities estimate that the clean-up cost at Rbs60bn (£12m) while western estimates have put the figure as high as £62m.

The official news agency Itar Tass last night published a list of fires, oil spills and pipeline breaks affecting the Komi Republic's oil complex. It said 8,000 tonnes of oil leaked into the Pechora River, which flows into the Barents Sea, in June 1992 – 18 months after a fire had destroyed an oil well in the region.

In March 1988, 20,000 tonnes of oil leaked from a corroded pipe and, in 1986, a pumping station fire caused damage worth £120,000. The latest accident began in August when the pipeline sprang several leaks.

Rival BAe attacks bid as its shares fall

Battle for VSEL intensifies after GEC offers £532m

By Bernard Gray, Defence Correspondent

GEC, the UK defence and electronics company, yesterday stepped into the hid battle for nuclear submarine-maker VSEL with a £14-a-share cash offer which values the Barrow-based company at £532m.

This tops the all-share offer launched by British Aerospace for VSEL two weeks ago, which valued VSEL at exactly £13 a share on Thursday night.

VSEL's hoard, which had backed BAe's bid, refused to endorse either offer until clearance for the bids had been given by the Office of Fair Trading.

Mr Malcolm Rifkind, the defence secretary, said yesterday that he would not use the government's special national security powers over VSEL to block either bid.

VSEL's shares rose 72p to £13.95, while GEC gained 8p to 278p. British Aerospace's shares fell 16p to 459p, reducing the value of its offer to £12.60 per VSEL share.

GEC said its offer would allow the two remaining warship building yards to be brought together, pooling their design and engineering skills, and that the integration of the two yards would allow their long-term future to be guaranteed.

The company said its marketing arm would be able to help VSEL win overseas orders.

GEC also said it did not think its ownership of the two large warship yards presented competition problems. Due to the low level of orders, there would in practice be little overlap between the work of Barrow and Yarrow.

The ministry of defence, which had previously been indicating privately that it would oppose a GEC takeover of the Barrow yard, refused to comment.

At the heart of the battle is the future of the British defence industry. As well as competing for the £2.5bn order for nuclear submarines due to be placed in 1996, the two companies are trying to strengthen their positions for the final stage of rationalisation of the defence industry.

At its most extreme, this could involve the merger of BAe's and GEC's defence interests.

BAe strongly attacked the GEC bid, saying it was "wholly inconsistent with the ministry of defence's declared policy in relation to defence procurement".

Mr Dick Evans, BAe's chief executive, said: "GEC's bid raises profound competition issues and I would expect it to be blocked."

City observers expect BAe to raise its offer, but they also think that GEC's greater financial resources would allow it to win a bidding war. BAe's defence would then rest on persuading the government to block GEC's bid on competition grounds.

GEC is expected to have to give assurances about the future of the Yarrow shipyard on the Clyde if its bid is to be cleared. However, one City observer said: "These assurances can be flexible. Barrow can build small frigates and large warships, but Yarrow can only build small frigates. If I were at Yarrow, I would be worried."

GEC dismissed such concerns and said: "It is our intention to secure enough work to fill both yards".

Lex, Page 24
Battle of the giants, Page 6

New 'sleaze' row

Dame Angela Rumbold, a deputy chairman of the Conservative party, takes in milk bottles from outside her Surbiton home yesterday morning in the wake of her resignation from a lobbying firm, which was seized on by opposition politicians as being the latest episode in the Westminster 'sleaze' row. Report, Page 24 Picture PA

Deutsche Bank puts its money on London supremacy

By Andrew Fisher in Frankfurt and Norma Cohen in London

Deutsche Bank, Germany's largest commercial bank, yesterday emphasised London's pre-eminence over Frankfurt as an international financial centre by deciding to put all its international investment banking activities in the UK capital.

It is combining its activities with those of Morgan Grenfell, the UK merchant bank which it bought in 1989 for £950m a few days before Mr Alfred Herrhausen, Deutsche Bank's former chairman, was murdered by terrorists.

Mr Hilmar Kopper, who succeeded Mr Herrhausen and worked with him on the Morgan Grenfell acquisition, said the bank would continne to support Frankfurt and expand its activities there. Its Frankfurt investment banking operations, serving German corporate, institutional and other customers, will stay in the German city.

The move, however, marks a change of strategy for Deutsche, which had previously been keen to maintain Morgan Grenfell as a separate subsidiary.

Deutsche said yesterday that the integration of its and Morgan Grenfell's investment banking operations would happen "over time", and changes to its organisational structure would be "evolutionary". It said a new

Continued on Page 24
Lex, Page 24

Stable US inflation figures lift world financial markets

By George Graham in Washington

The US economy grew strongly in the third quarter but inflation remained under control, giving a fillip to world financial markets yesterday.

Gross domestic product increased at an annualised rate of 3.4 per cent in the July to September quarter, according to advance estimates released by the Commerce Dapartment's bureau of economic analysis.

This was slower than the second quarter's 4.1 per cent pace but much faster than the 2.8 per cent to 3 per cent growth anticipated by private sector economists.

Although avidence of a still buoyant economy might have been expected to alarm financial markets, the signs of moderate inflation helped to lift bond and share prices.

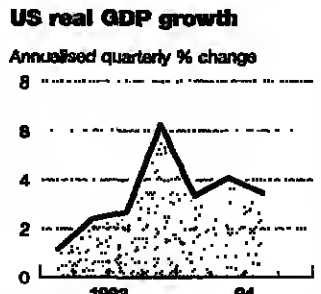
By 2pm in New York, the US 30-year Treasury bond had risen by a point, taking the yield back below the 8 per cent level it breached on Tuesday to 7.96 per cent. The Dow Jones Industrial Avarage was 51.47 higher at 3,926.62, having triggered the trading restrictions on the New York Stock Exchange that automatically follow a 50-point move in one session.

Wall Street's strength fed through to European equity markets, with the FT-SE 100 Index in London closing 54.2 higher at 3,083.8.

In Paris, the CAC-40 index was up 2.6 per cent on the day, while in Frankfurt, the Dax index rose 1.9 per cent in after-hours trading. The GDP figures also buoyed the dollar, which rose 1½ pfennigs to close in London at DM1.5094.

Markets took heart from the implicit price deflator, which reflects changes in prices and in the composition of GDP. This rose by only 1.6 per cent, but was flattered by a sharp increase in import prices, which are not included in the domestic statistics. A more rebable inflationary indicator, the GDP fixed weight price index for domestic purchases, showed inflation remaining stable at an annual rate of 3.2 per cent.

US real GDP growth



Source: Datastream

Lex, Page 24; Currencies, Page 11; Wall Street, Page 21 and Weekend II; London Stocks, Page 13; Bonds, Page 10

STOCK MARKET INDICES

FT-SE 100:	3,083.8	(+54.2)
Yield	4.11	
FT-SE Eurotrack 100	1,326.61	(+23.33)
FT-SE-A All-Share	1,529.82	(+1.4%)
Nikkei	19,805.18	(+8.80)
New York: lunchtime		
Dow Jones Ind Ave	3,924.27	(+49.12)
S & P Composite	472.39	(+5.54)

LONDON MONEY

3-mo Interbank	6%	(same)
Liffe long gilt fut:	Dec 100$\frac{11}{32}$	(Dec100$\frac{3}{8}$)

US LUNCHTIME RATES

Federal Funds:	4¾%
3-m Treas Bills: Yld	5.134%
Long Bond	94$\frac{13}{16}$
Yield	7.960%

NORTH SEA OIL (Argus)

Brent 15-day (Nov)	$16.91	(16.975)

Gold

New York Comex(Dec)	$388.7	(390.2)
London	$386.9	(388.8)

STERLING

New York lunchtime:		
$	1.6205	
London:		
$	1.6235	(1.6377)
DM	2.4506	(2.4519)
FFr	8.388	(8.3917)
SFr	2.046	(2.0487)
Y	158.023	(158.68)
£ Index	80.7	(80.8)

DOLLAR

New York lunchtime:		
DM	1.514	
FFr	5.1715	
SFr	1.2645	
Y	97.45	
London:		
DM	1.5094	(1.4972)
FFr	5.1666	(5.1242)
SFr	1.2602	(1.251)
Y	97.335	(96.895)
$ Index	61.1	(60.7)
Tokyo close Y 97.13		

CONTENTS

Austria Sch32; Bahrain Din1.250; Bermuda $2.00; Belgium BFr65; Canada C$1.75; China RMB26.50; Cyprus C£1.10; Czech Rep CZK50; Denmark DKr16.00; Egypt E£5.00; Estonia EKr 20.00; Finland Fmk14; France FFr9.50; Germany DM3.60; Greece ...350; Hong Kong HK$16; Hungary Ft185; Iceland IKR215; India Rup60; Indonesia Rp4,050; Israel NS9.00; Italy L3000; Japan Y500; Jordan JD1.50; Korea Won 3000; Kuwait Fils.625; Lebanon $US1.50; Luxembourg LFr65; Malaysia Rin4.80; Malta Lm0.60; Morocco Dh15.00; Nigeria Naira00.00; Netherlands Fl4.25; Norway Nkr17.00; Oman OR1.50; Pakistan Rs40; Philippines Peso 50; Poland Zl 38,000; Portugal (m'land) Esc225; Qatar QR13.00; S.Arabia Rls11.00; Singapore S$4.30; Slovak Rep KSL50; South Africa R12.00; Spain Pta225; Sri Lanka Rup30; Sweden SKr18.00; Switzerland SFr3.30; Taiwan NT$65; Thailand Bht50; Tunisia Din1.500; Turkey L30000; UAE Dh12.00; USA $1.50

Kohl's talks centre on spending cuts

By Michael Lindemann in Bonn

The three parties in Chancellor Helmut Kohl's new government emerged from their first session of talks yesterday, vowing to modernise Germany but promising to keep a very tight hold on its purse strings.

"Savings, savings, savings – that really is the most important element of these talks," said Mr Werner Hoyer, the general secretary of the Free Democratic Party (FDP), the small liberal party which shores up the coalition between Mr Kohl's Christian Democratic Union (CDU) and the Christian Social Union (CSU), the CDU's more conservative Bavarian sister party.

The new government will reduce the federal civil service by 1 per cent – or 12,000 jobs – a year, make legislation simpler, introduce new laws to shorten notoriously complicated planning procedures and speed up court cases.

"Our country is in danger of becoming paralysed," said Mr Peter Hintze, general secretary of the CDU. "We have to work out why it is that we have the greatest number of judges per head of population in Europe but court cases still take longer than anywhere else."

Another priority, following the first round of talks which focussed on tax and economic policies, will be to cut back the *Staatsquote* – the proportion of gross national product which is consumed by government spending – by 5 per cent to 46 per cent, where it was before German reunification.

However, the parties would not say how much money would be saved by making cuts in social security spending, a thorny issue which has been thrust back on the agenda by company bosses who fear the new government will not do enough to cut Germany's high non-labour costs.

The three parties will continue talks until midday today and begin again on Wednesday.

Each of them has sent five people to the talks which are being chaired by Chancellor Kohl in the Bundeskanzleramt, his squat office complex. But for the occasional break, the negotiators are expected to remain huddled in there until mid-November.

The Bundestag, or lower chamber of parliament, will hold its opening session in Berlin on November 10 but all eyes are focussed on Mr Kohl's re-election as chancellor, a vote which is expected to take place in the week beginning November 14.

However, the FDP has indicated it wants the coalition talks wrapped up and future ministers named before a vote is called. Following its dismal election result, the second worst since 1949, the party is under pressure to secure as many concessions as it can from the talks before guaranteeing its support for Mr Kohl whose new coalition has only a 10-seat majority in the Bundestag.

Mr Klaus Kinkel, the FDP leader, yesterday once again sought to stamp his leadership on the party which had to live through a bitter and very public bout of infighting after the election on October 16.

"The will to end the crisis in the FDP is there," Mr Kinkel said. "It is high time (to do so) unless we want forever to remain the party which is talked about more because of its squabbles than its policies."

Solzhenitsyn: accused Russia's leaders of indifference to suffering, incompetence, and corruption AP

POLITE APPLAUSE IN DUMA GREETS SOLZHENITSYN'S MORAL OUTRAGE

By John Lloyd in Moscow

Alexander Solzhenitsyn, Russia's most famous living writer and symbol of resistance to communism, yesterday hurled a bolt of moral outrage at Russia's political leadership – accusing it of indifference to suffering, incompetence, betrayal of the state and gross corruption.

The 50-minute address to the State Duma (Lower House) contained all the themes the writer wove together in 20 years of exile, sharpened by his exposure to the Russian people through "hundreds of meetings and thousands of letters".

The people, he said, "have lost heart...they do not believe the reforms undertaken by this government are in their interests".

Yet his moving articulation of the plight of his fellow countrymen was rewarded with perfunctory applause by deputies.

"Russia," he said, "is not a democracy but an oligarchy – power of a very limited number of people. People who knew I was to talk here said to me: "Tell the duma, tell the president, about what simple people have in their hearts".

The authorities, he said, had few links with the "sickness of the country". People at the grass roots had practically been excluded from public life. "Everything goes on to one side of them. They have only one miserable choice – to drag out a lowly and humble existence, or to cheat on the state and each other."

In a direct attack on President Boris Yeltsin and the reformers in government, he said the sale of land was tantamount to "selling Russia". On privatisation he said the process "had taught 70m people a very hard lesson – never believe the state and never work honestly."

He restated two major themes of his political writing. The first of these was the demand to end the "lifeless" Commonwealth of Independent States in favour of a new federal state composed of the Slav countries – Russia, Ukraine and Belarus, with Kazakhstan.

The second was to recreate the network of *zemstvos*, rural councils of the kind operating at the turn of the century.

Balance in Bosnia shifts Moslems' way

By Bruce Clark

Bosnian Moslem forces were yesterday consolidating their grip on 80 square miles of territory in the far north of the republic, seized in a lightning offensive over the past three days.

Their Bosnian Serb enemies – isolated from their protectors in Belgrade and facing a growing shortage of fuel – were caught unawares by the onslaught and abandoned armour and equipment as they fled, according to the UN.

In other potentially ominous developments for the Bosnian Serbs, government forces mounted an assault near the stronghold of Kupres, west of Sarajevo, and the UN and Nato agreed on new procedures for air strikes.

General Dragomir Milosevic, a Bosnian Serb commander, pledged to retaliate by shelling "selected targets" in Sarajevo. This amounted to a threat to restart the brutal bombardment of the Bosnian capital which ended in February.

In a clear reference to air strikes, the UN commander General Sir Michael Rose responded by saying: "If they shell Sarajevo,they know what they can expect."

The Moslem successes reflect a gradual shift in the balance of military power inside Bosnia, thanks to clandestine supplies of light arms and the "over-stretched" condition of the Bosnian-Serb army as it struggles to hold on to 70 per cent of the republic's territory.

The flare-up in Bosnian fighting coincides with a breakthrough in international efforts to achieve a broad reconciliation between Serbs and Croats.

Lord Owen and Mr Thorvald Stoltenberg, the mediators on former Yugoslavia, announced that Zagreb and Belgrade would start regular consultations at foreign minister level on normalising their relations.

Serbia's President Slobodan Milosevic has been told by western countries and Russia that he should recognize Croatia as a precondition for further easing of UN sanctions against his country.

On the face of things, both the Bosnian fighting and the peace moves in Croatia are part of a single process: the decision by Mr Milosevic to seek international favour and sever or at least loosen ties with his former protegés in both neighbouring republics.

Under one scenario, a Belgrade-Zagreb reconciliation would deepen the Bosnian Serbs' isolation and make them more willing to sue for peace on terms acceptable to the world.

A strategic deal between Mr Milosevic and the Croatian government could also neutralize the influence of the stridently nationalist politicians who now control the Serb-occupied areas of Croatia.

As things now stand, those politicians are good friends of Mr Radovan Karadzic, the Bosnian Serb leader and champion of Serb nationalism in its most diehard form.

Few observers see any prospect of the Bosnian partition plan devised by four western nations and Russia being accepted in its current form, and there is scant possibility of the plan's sponsors changing it.

But as French officials have pointed out several times, that does not stop the warring parties agreeing among themselves to alter the plan - if and when they all feel that military options have been exhausted.

However the latest developments could have other, much less happy consequences.

One possibility is that a reversal of the Bosnian Serbs' fortunes will put President Milosevic, and conceivably his friends in Moscow, under unbearable pressure to come to the rescue of Mr Karadzic.

Another danger – mentioned recently by General Bertrand de Lapresle, UN commander in ex-Yugoslavia – is that Moslem military successes will put strain on the delicate relations between Moslems and Croats.

"If the Moslems have too strong an army, that could frighten the Bosnian Croats and render fragile the Croat-Moslem federation," the French general recently told the French newspaper Le Monde.

A third possibility is that even if the Bosnian Serbs eventually seek peace on humiliating terms, there will then be little appetite for compromise among the Moslems' battle-hardened commanders.

Getting dirty in Delaware

By Jurek Martin in Wilmington

US MID-TERM ELECTIONS November 8

Delaware, the first state to ratify the US constitution but the second smallest in land area, rarely hits the headlines, unless they are made by a Du Pont, company or family. But, politically, this year is rather different. It is one of the very few states where a Republican incumbent, Senator Bill Roth, is in measurable danger. His defeat could mean the Democrats keep control of the Senate. His Democratic opponent, Charlie Oberly, is running a campaign lifted from the Republican anti-incumbent handbook. Perhaps most shocking of all for a state where moderation is rated a virtue, Delaware is witnessing a dirty race.

Senator Roth, now 73, has been a fixture in Washington for 28 years, the last 24 in the Senate. This fits the Delaware tradition. No incumbent has been voted out of office in the last decade and Joseph Biden, the state's Democratic senator, was elected in 1972.

Dour and toupeed, Mr Roth has compiled a solid record for his state and sometimes on national issues without ever being rated a political heavyweight. The Kemp-Roth tax cut proposals of the late 1970s were a precursor of Reagan administration policies, while his advocacy of personal pension plans, known in the US as independent retirement accounts, has been second to none.

Mr Oberly, 47 and a three-time state attorney general, is taking aim at this longevity, calculating that national discontent with the political establishment in the capital applies to Republicans as much as it does to Democrats.

He has sought to make Mr Roth's age an issue, with one commercial showing his opponent trudging along the campaign trail in slow motion. He has also recalled that early in his career Mr Roth proposed a constitutional amendment banning senators from seeking re-election after their 70th birthday (the senator put this down to "the folly of my youth".)

The Roth counter is that the state needs a person of his seniority, 10th in the Senate, to keep "the big spenders" of Washington in check. One of his advertisements says he would never consider ending the tax deduction on mortage interest payments – not that Mr Oberly appears to have said it should be removed.

This may seem pallid stuff by the debased standards of the campaign in neighbouring Virginia, but this week Delaware has become much rougher. Mr Roth has charged that, as attorney general, Mr Oberly refused to recommend a sentence of life without parole for a murderer. Mr Oberly said that that incident, in 1990, was the result of a mix-up in legal papers presented to him and was remedied within 15 days. His campaign immediately portrayed the Roth accusation as an attempt to replay the "Willie Horton" card – referring to the 1988 presidential election commercial that sought to portray Mr Michael Dukakis as soft on crime.

This descent to the relative political gutter seems to disturb the state, according to Allan Loudell, programme director of WILM, the excellent local radio news station. There is division, however, as to who started it.

Polling data only comes from the two campaigns. The senator's polls still have him ahead by more than ten points, much less in the summer, while Mr Oberly's put his deficit in single digits and declining.

US taking tougher antitrust stance

George Graham on the trend to more active intervention in competition questions

The US Federal Trade Commission's decision to challenge BAT Industries' $1bn bid to take over American Tobacco has raised questions about whether the US government is taking a more aggressive approach to competition questions under the Clinton administration.

Washington antitrust lawyers say that the evidence of a tougher approach is clear at the Justice Department, which shares jurisdiction over antitrust questions with the FTC, but note that all three FTC commissioners who took part in the BAT decision were appointed by President Ronald Reagan or President George Bush.

One commissioner, Ms Christine Varney, has been appointed by President Bill Clinton, but she has only just started work at the commission and did not vote on BAT. Mr Clinton's nominee for the chairmanship, Mr Robert Pitofsky, has not yet been confirmed by the Senate.

In addition, almost all the senior staff at the commission have been in place for several years. Some FTC lawyers also argue that the kinds of merger they are being asked to examine are different from the typical merger of the 1980s, which often involved companies in different sectors with few overlapping markets.

Yet competition lawyers say the change in approach is palpable not just at the Justice Department, where assistant attorney general Anne Bingaman has taken on issues that have not been touched in recent years, but also at the FTC.

"Both agencies have become much more aggressive both on matters of substance and on procedural matters," says one former government antitrust lawyer.

Other legal experts say that although Commissioner Roscoe Starek is noticeably conservative in his approach to antitrust questions, Commissioner Janet Steiger, the acting chair, and Commissioner Mary Azcuenaga are more accurately labelled independents. Both are thought to be interested in winning reappointment from the Clinton administration.

On the matter of substance, the Justice Department has filed the first cases for a decade involving US claims of jurisdiction over anti-competitive action overseas affecting US exporters, rather than US consumers.

The FTC, meanwhile, is believed by Washington lawyers to be looking at bringing some cases involving vertical competition questions, where the relationship may be between supplier and customer, rather than the horizontal relationship between two competitors that is involved in the BAT case.

Some FTC staff lawyers are also looking for a case that would challenge earlier doctrine on the existence of potential competition.

The government can overlook the fact that a merger between two competitors would substantially increase concentration in a particular market if it believes the market to be open to potential new competitors. But current doctrine requires good evidence that someone actually intends to enter the market, rather than just theoretical evidence that someone could easily do so.

In procedural matters, antitrust lawyers say the two agencies have been competing aggressively for cases, and the decision on which one should look at a particular merger is being taken later and later in the process.

Though mergers in some sectors such as airlines are allocated by law to Justice, the decision is mostly taken at the staff level on the basis of which agency has most expertise in the sector. The FTC generally investigates soft drinks, for example, while Justice takes beer, and the FTC has in the past generally taken tobacco industry mergers.

The two fought long and hard for jurisdiction over the big merger between Martin Marietta and Lockheed, with the FTC eventually winning possession.

This means that when the case is eventually allotted to the FTC or Justice, the government's lawyers are running out of time to investigate the case in the initial period allowed by the law. They are thus filing more and more "second requests" for information, which extends the deadline for a decision but also requires companies to produce much more documentation at great expense.

When Mr Pitofsky eventually takes office, few doubt that he will carry on the trend to more active intervention in competition questions. In an influential article on antitrust published in a policy compendium presented to Mr Clinton by the Citizens Transition Project just after his election in 1992, Mr Pitofsky argued for an immediate revival of enforcement "to undo the damage of a decade of trivialising and blaming antitrust".

BAT uphill task to secure deal

By Roderick Oram, Consumer Industries Editor

BAT Industries can make a good case that its takeover of American Tobacco will increase competition in the US cigarette market but it faces an uphill battle to win court approval for the deal, analysts said yesterday. The Federal Trade Commission is trying to halt the acquisition because it believes a reduction in the number of manufacturers will make it easier for those remaining to set prices to their advantage. "I find BAT to be very price competitive," said Ms Diana Temple of Salomon Brothers in New York, "but it will be hard for BAT to get the FTC's opposition overturned in court." "It is genuinely a bizarre ruling by the FTC because the cigarette market would never accept price rises," said a leading London analyst. But with the court outcome unpredictable because of political overtones, "BAT has an even chance, perhaps no better, of winning." The FTC goes to court in New York City on Monday to seek a temporary injunction to block BAT's $1bn purchase of American Tobacco from American Brands. A full trial will begin in the first week of December.

If BAT loses it could appeal to the federal second circuit appeals court. There would be insufficient time to take the case to the Supreme Court because BAT's option on American Tobacco expires next April.

Rome names EU commissioners

By Robert Graham in Rome

The partners in Italy's right wing coalition yesterday patched up a compromise deal and named their new European Union commissioners.

Prime Minister Silvio Berlusconi yesterday named Mr Mario Monti, a respected economist, and Ms Emma Bonino a Radical Party politician, to fill Italy's two posts.

The last-minute appointments, a day before new commission president Jacques Santer is due to meet his team and assign portfolios, ended weeks of political arm-wrestling in Berlusconi's coalition over whom to send to Brussels.

The compromise followed two months of indecision. In September broad agreement had been reached on Mr Monti, who is head of Milan's Bocconi University, for one of the economic portfolios.

The coalition partners decided that with one "technician", the other *had* to be a politician of some weight.

The populist Northern League argued that one of their members be the commissioner as the coalition group with the largest number of deputies. Mr Umberto Bossi, the League leader, proposed Mr Francesco Speroni, Minister of Institutional Reform, as their candidate.

Mr Berlusconi's own party Forza Italia, and their main allies the Neo-Fascist MSI National Alliance, were against giving the league this prize when Mr Umberto Bossi, had consistently done his best to embarass the government. As an alternative, Mr Giorgio Napolitano, the former speaker of the Chamber of Deputies and a veteran of the communist party and its successor the Party of The Democratic Left (PDS), was also suggested.

However, Ms Emma Bonino, who has extensive experience of the European Parliament, was chosen as a compromise by Mr Berlusconi.

Asterix birthday celebrations hit by real-life tussle

Andrew Jack looks at the infighting in the French companies behind the successful sword-wielding cartoon character

Les éditions Albert René/Goscinny-Uderzo

Asterix might do well to consider changing his name as he turns thirty-five years old today. Megafrancx would suit the mustachioed, sword-wielding midget well. The once-rebellious cartoon book character has found himself sitting on a goldmine in his native kingdom of Gaul.

Celebrations are well in hand for the anniversary of the first edition on 29 October 1959 of Pilote, the French children's magazine in which the village of invincible Gauls resisting their Roman oppressors first appeared, words penned by Albert Goscinny and drawings by René Uderzo.

"I'm very happy," says Mr Uderzo, reflecting on his feelings yesterday. He is also rather surprised, and quite unable to explain the idea's sustained popularity. "I didn't expect success like this over such a long time at all. It's a mystery."

But not all those involved in creating the Asterix phenomenon will be raising their goblets around the feasting table as they do at the end of each of the books. In real life, unbeknown to millions of fans, a battle is taking place just as vicious as any of the fictional plots.

There is no disputing the success of the Asterix bandwagonix. More than 250m copies of the 29 albums have been sold around the world. Editions Albert René, which now publishes the books, reported turnover of FFr45m (£5.4m) last year, while Dargard, the original publisher, still generates almost as much again.

There have been six animated Asterix films, with the latest used as the centrepiece for a marketing campaign across Europe by McDonalds. Another is in train, and there are discussions about one starring real actors including Gerard Depardieu as Obelix (who polls show to be even more popular than Asterix).

There is even an Asterix theme park on the outskirts of Paris, which has just broken into profits after five years and attracted 1.5m visitors this year. One survey showed that more than half of the French population could spontaneously name Asterix - higher than for either Mickey Mouse or Tintin.

Some argue that the success of the books has been to create a series of characters who are uniquely and defiantly French, with stories which work on many different levels with clever wordplays to appeal to adults as well as children.

Yet Asterix also appeals in other countries. While more than 94m albums have sold in France, another 82m have been bought by Germans, followed by the British at 19m. Asterix has been printed in 57 languages and dialects, including Latin. The latest interest has come from Slovenia and Croatian companies. "We work with humourists more than translaters when publishing the books in other languages," says Mr Claude de Saint Vincent, chairman of Dargaud.

He is equally mystified by the obviously contagious effect of the "magic potion" handed out by the village sorcerer Panoramix. "If I knew the secret, I would do another one," he says. "But it came at a time before TV, videos, computers and video games. There were not so many distractions for readers."

But some of the Asterix magic has now worn off. Mr de Saint Vincent believes the market is now mature, boosted occasionally with the publication of new albums - and perhaps greater penetration in the UK. His company will receive none of the profits from the most recent five books - nor will it from any published in the future.

The reason is a bitter dispute which developed between Dargaud, which owned Pilote, and Goscinny and Uderzo. It culminated in a Parisian courtroom, with Uderzo trying to win all the rights to the back titles. He lost on appeal this summer, but retains ownership of the Asterix character and freedom to keep profits from new productions. He has not spoken to Dargaud since, which has had its offers of help in the birthday celebrations ignored.

Goscinny, the author, died in 1977 but Uderzo decided to carry on alone, producing both words and drawings. Some readers feel however - though few would dare to say so in public - that the quality of the Asterix books has declined with the end of the old partnership.

Uderzo, aged 67, says he has no plans to stop.

But his struggles are not confined to the drawing board. In 1979 Uderzo managed to break away from Dargaud to found his own company, Editions Albert René. He gave Goscinny's widow 20 per cent of the shares, keeping the rest for himself.

She has now also died, and her 26-year old daughter Anne has started legal action against Uderzo, claiming that her family did not receive a fair share of support or profits. "I am very happy about the success of the character - in the way it was created with my father," she says.

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INTERNATIONAL NEWS DIGEST

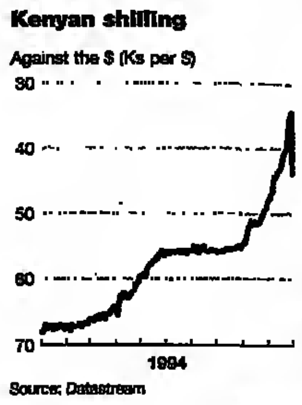
New trademark treaty agreed

A naw international treaty to simplify protection of trademarks was signed in Geneva yesterday after five years of negotiation involving nearly 100 countries. The Trademark Law Treaty, negotiated under the auspices of the World Intellectual Property Organisation (Wipo), will make it easier for companies to register trademarks, including service marks, in their bome countries and internationally. It will come into force three months after a minimum of five countries have formally ratified it.

Some 300,000 registered trademarks used internationally are lodged with Wipo, hut the total registered worldwide with national trademark euthorities is put at 7m. The new treaty lays down common procedures for national trademark registration, cuts down on red tape, harmonises the duration of initial and renewal registration to ten years and gives service marks the same legal status as trademarks.

Among 35 states which signed the treaty yesterday were the US, Russia, China, six European Union members including Britain, several east European nations and a number of developing countries. *Frances Williams, Geneva*

Kenya shilling falls sharply



The Kenyan shilling plunged against the dollar yesterday by more than 20 per cent in panic selling caused by the liberalisation of the oil industry, Several banks, including Barclays, Standard Chartered and Citibank, quoted the shilling at an average of 43.83 against the dollar, down from 35.48 on Thursday. The liberalisation from midnight on Thursday and expectations of it on Wednesday created an instant demand for dollars as oil companies moved to build up their oil stocks. "The rush by some oil companies and manufacturers...to finance stocks for the next three months or so has resulted in an excessive demand for dollars, causing the exchange rate to depreciate," said Mr Micah Cheserem, central bank governor. He said the panic buying of dollars was unjustified as his bank held hard currency reserves in excess of $800m, "sufficient to meet the country's import requirements for the next six months". *Reuter, Nairobi*

Seoul cabinet survives censure

The South Korean cabinet yesterday survived a no-confidence motion in parliament that had been tabled by the opposition to protest at the government's alleged mismanagement in connection with the collapse of a Seoul bridge last week. The accident, whicb killed 32 peeple, is blamed on poor maintenance of the 15-year-old bridge. The parliament supported Prime Minister Lee Yung-dug by a vote of 174 to 116. The result had been expected since the ruling Democratic Liberal party controls 177 seats in the 299-member National Assembly. *John Burton, Seoul*

Macedonia poll boycott urged

Macedonia's nationalist opposition parties have called for a boycott of tomorrow's second round of parliamentary elections, accusing the government of electoral fraud in the first-round vote two weeks ago. Both the hardline Internal Macedonian Revolutionary Movement (VMRO), which lost support in the first round, and the newly founded Democratic Party are pressing for new elections. International monitors have said fraud was not widespread, but the official electoral commission admitted that 10 per cent of Macedonia's 1.3m voters were not included in constituency registers but said they would still be able to cast ballots.

President Kiro Gligorov, comfortably re-elected in the first-round ballot, appealed to voters to participate, saying the former Yugoslav republic's record of a smooth transition to democracy was at stake. The former communist Alliance for Macedonia, backed by Mr Gligorov, said it won 32.1 per cent of the first-round vote compared with 14.4 per cent for VMRO and 11.2 per cent for the Democratic Party. *Kerin Hope, Athens*

Poland, Russia to settle debts

Poland and Russia have agreed to settle their mntual debts in an agreement initialled on Thursday, Poland's finance ministry announced yesterday. The deal, which will be signed next week during a visit to Poland by Mr Victor Chernomyrdin, the Russian prime minister, foresees a mutual cancelling of the debts which date back from when the two countries were part of the former East Bloc. Poland, has also agreed to make an additional payment to Russia worth $160m which the ministry says will "close the debt issue with Russia". At the last count Poland owed Russia $2.3bn and 5.2bn in transferable roubles (a non convertible Comecon unit of account which no longer exists) while Poland was owed $334m and 6.3m transferabla rouhles. All were debts left over from a trade account in the former Comecon trade hloc. *Christopher Bobinski, Warsaw*

Vox shareholder hurdle cleared

Vox, the ailing German private television station, yesterday cleared another hurdle on its way to recovery when four state television authorities approved the channel's new shareholder structure. However, final approval rests with the remaining 12 state televisioo authorities who still have not agreed to the new ownership. Vox, based in Cologne, was launched at the beginning of 1993 but failed to attract viewers because of an unattractive programme mix. The six original shareholders fell out and the channel went into liquidation on April 1. After months of negotiations with Bertelsmann, the German media group which has been the driving force behind Vox, Mr Rupert Murdoch's News Corporation took a 49.9 per cent stake in the statioo in early July. Bertelsmann bolds 24.9 per cent and Canal Plus, the French station, holds a further 24.9 per cent. *Michael Lindemann, Bonn*

Carignon appeal rejected

Mr Alain Carignon, the former French communications minister who resigned in July following a corruption scandal, faces continued detention in a Lyon prison after his appeal was rejected yesterday. Mr Henri Blondet, the presiding judge, said tbere was "serious, detailed, and corroborated evidence" against the former minister, who is charged with accepting gifts from business groups and arranging the rescue of his indebted campaign newspaper hy a utilities company. In return, it is alleged that a water privatisation contract in the city of Grenoble, where Mr Carignon is mayor, was awarded to the utilities company. The Carignon investigation is one of a series of corruption probes which have rocked the centre-right government of prime minister Edouard Balladur and French business this year. *John Ridding, Paris*

Russia faces budget hurdle

Mr Andrel Vavilov, the Russian temporary acting finance minister, said yesterday that "we have a lot of work to do with the state duma on the budget" - an admission of the difficulties the finance ministry foresees in getting agreement on a budget which will further squeeze the Russian economy in an effort to hring inflation down. However, Mr Vyacheslav Kostikov, press secretary to President Boris Yeltsin, said yesterday the failure of a motion of no confidence on Thursday in the lower bouse would "ease political tension and avoid a government crisis." Mr Kostikov said reforms would get tougher - "it's clear the government won the battla for the hudget and in a larger sense for reform". *John Lloyd, Moscow*

Renamo drops Mozambique election boycott


Dhlakama: volte face after intense pressure

By Peter Stanley in Maputo and agencies

Mozambique's first multi-party elections were back on course last night after Mr Afonso Dhlakama, leader of the country's former rebel movement, reversed his eve of poll decision to stage a boycott.

The Renamo leader changed his mind under intense pressure from the United Nations, western countries that bave helped fund the elections, and from nelghbouring states, including South Africa.

It would have been made clear to him that he could expect no sympathy from either regional or international governments, and Mr Dhlakama may well bave been warned thst the frontline group of southern African states were prepared to offer military assistance to tbe newly elected government of Mozamhique should Renamo resume its guerrilla war.

"The fact that Zimbabwe had committed troops (to Mozambique) in the past was a strong incentive to Dhlakama to sit up and take notice," said Mr Greg Mills, director of studies at the South African Institute for International Affairs.

He said the sending by South Africa of Deputy President Thabo Mbkei and Deputy Foreign Minister Aziz Pahad, with the hlessing of other regional states, to pressure Mr Dhlakama had shown the Renamo leader the depth of anger at the boycott, which had threatened to unhinge years of work to restore peace in the impoverished country.

The boycott decision, said Mr Mills, announced only hours before polling began on Thursday, highlighted a deep split within Renamo, which fought a 16-year war against Mozambique's formerly Marxist rulers of President Joaquim Chissano's Frelimo party.

"There is a vary big split within the (Renamo) party, with Dhlakama and his advisers on the one side and a large number of party officials who realised Renamo had very little option," said Mr Mills.

Mr Dhlakama changed his mind after negotiating through the night and morning with officials from the United Nations, western embasssles and the National Election Commission. He declined to answer questions about his volte face.

The Commission extended the country's two-day presidential and parliamentary elections and voting will continue today. Mozambicans and African leaders had feared the Renamo boycott could lead to a renewal of the civil war which ended with o peace accord between Renamo and Frelimo two years ago.

"A shadow has heen lifted with Dhlakama's decision," the United Nations special envoy to Mozambique, Mr Aldo Ajello, said.

Mr Ajello, in charge of the 7,000 strong UN peacekeeping force, said his impression was that the election had gone well so far.

Presldent Chissano, widely expected to be returned to the presldency and capture a majorty of the 250 parliamentary seats at stake, welcomed the decision: "This is what all of us wanted," he said.

There remain doubts, however, about the Renamo leader's intentlons, and many observers do not rule out the possibllity that Mr Dhlakama will cry foul when the reults are declared.

Final results are not expected until mid-November. Mr There are 12 presidential contenders and 14 political groups vying for a place in the assembly.

Malaysia foresees 8.5% growth

By Kieran Cooke in Kuala Lumpur

Mr Anwar Ibrahim, Malaysia's finance minister, yesterday unveiled a moderately expansionist hudget for 1995 aimed at sustaining the country's economic growth while also controlling inflation.

Mr Anwar forecast that Malaysia's economy would grow by 8.5 per cent this year, the seventh consecutive year of growth exceeding 8 per cent. "While others are plodding along painfully, we are riding the waves of rapid economic growth," he said.

He proposed a series of tax cuts which would primarily benefit lower income groups - and win support for the government of prime minister Dr Mahathir Mohamad in advance of elections likely to be held later this year or early next. The maximum rate of individual income tax will be cut from 34 to 32 per cent while income tax will ba abolished for a large segment of thosa on lower incomes.

"Thirty per cent of the total number of taxpayers will no longer have to pay income tax," said Mr Anwar.

Corporate tax will be cut by 2 per cent to 30 per cent in line with other countries in the region. Mr Anwar said the government intended to further streamline investment procedures and announced a number of measures to encourage domestic investment.

The government says the inflation rate is 3.7 per cent. As part of the effort to overcome market imperfections and stabilise prices, import dnties on more than 2,600 items - many of them foodstuffs - will be either reduced or abolished.

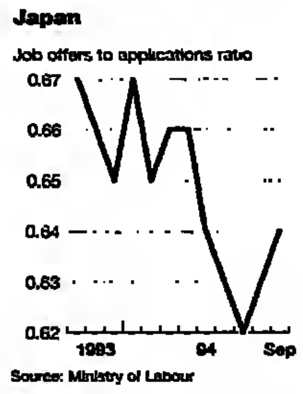
Due to a rapid growth in imports so far this year and a sharp rise in the deficit on the services account, Malaysia's current account halance of payments deficit is forecast to balloon to M$11.7bn ($4.8bn), compared with an earlier official projection of a surplus of M$1.5bn.

Measures to tackle the services deficit include increasing efficiency and capacity at ports and promoting the development of the Malaysian shipping industry.

Mr Anwar also announced a substantial increase in educational spending in order to meet serious skills shortages. He warned that wages in the first seven months of this year wages had risen by 6.7 per cent, compared with an increase in productivity of 2.2 per cent.

"While we may rightly rejoice in our success, let us not throw caution to the wind," he said.

Boost for service jobs in Japan



By William Dawkins and Emiko Terazono in Tokyo

Japan's labour market continues to be weak, but the mild recovery is encouraging service industries to take on more staff, unemployment figures released yesterday show.

The unemployment rate bovered at 3 per cent for the third month in a row in September, just below the 3.1 per cent record set in May 1987, the labour ministry said. A faint glimmer of improvement was evident in a rise in the number of jobs on offer, from 63 per 100 applicants in August, to 64 in September.

However, the improvement in the joh seekers' ratio may be fragile because it was entirely thanks to a possibly seasonal fall in tbe number of applicants over that period. Takan over the year to September, by contrast, the number of people lcoking for a job rose by 8.3 per cent.

Industrial production for September fell 1.5 per cent from s month earller, a sharper decline than was previously expected hy private economists. The figure was partly affected by the upward revision of industrial production data for August, which rose 3.9 per cent from tbe previous month.

Shipments fell by 3 per cent on the month while the inventory index rose 1.5 per cent. The inventory to shipments ratio for the month, which fell by 3.1 points in August due to hrisk retail sales, rose 3.5 points.

Production of electrical macbinery fell 7.9 per cent, metal products dropped 4.9 per cent and "other manufactured goods" declined 9.2 per cent. Preclsion machinery rose 4.7 per cent and transportation equipment advanced 3.9 per cent.

The latest employment figures suggest that tbe main hope for a recovery in the labour market rests with service industries, wbere productivity is low by international standards.

Employment by service companies rose 2.9 per cent in the year to September, while manufacturing jobs fell by slightly more, 3 per cent, over the same period.

Overall employment is now greater in services than manufacturing, according to Mr Geoffrey Barker, chief economist at Barings Securities.

Consumer prices in Tokyo jumped by 0.8 per cent in the year to October, from a 0.2 per cent rise in September, reflecting a rise in food prices caused by the bot summer.

Excluding food, tbe core inflation rate remained uncbanged, at 0.5 per cent, confirming that tbere is little inflationary pressure as the recovery gets under way.

Clinton reassures Kuwait over Iraq

President Bill Clinton arrived in Saudi Arabia on the final leg of his Middle East tour yesterday, having reassured Kuwait that Iraq would never again be allowed to threaten its security, write our Middle East staff.

"The United States and the international community will not allow Baghdad to threaten its neighbour, now or in the future," he said earlier in a brief visit to Kuwait.

"That is not a threat. That is a promise," be told an audience of US troops who had been rushed to the emirate following Iraq's military buildup on the border earlier this month.

Flanked by tanks and infantry fighting vehicles, Mr Clinton told hundreds of US, British, Kuwaiti and other Gulf Arab troops: "We will not permit Iraq to enhance its capability below the 32nd parallel," the line below which Iraq is barred from flying its warplanes.

Mr Clinton was greeted with placards proclaiming "Thank you, Mr President," and "Welcome, Mr President."

Washington announced on the eve of Mr Clinton's arrival in Knwait that it was doubling its deployment of armour and attack jets in the Gulf to deter any military threat from Iraq.

Mr Clinton's final stop on his six-nation tour was at the northern Saudi military city of Hafr al-Batin where he was due to meet King Fahd before flying back to Washington.

Beating Mideast swords into ploughshares

Mark Nicholson and Julian Ozanne on the peace summit in Casablanca

Seven beads of government, 50 foreign ministers and more than 1,000 senior business executives from 60 countries began gathering in Casablanca yesterday for a three-day summit aimed at transforming tbe region's peace agreements into fuller economic integration.

Organisers of the most ambitious political and business networking session ever undertaken for the Middle East hope it will encourage a new partnership between the private and public sectors, new financing structures, including a $10hn capitalised regional development hank, and solid moves towards realising hundreds of development projects.

Mr Klaus Schwab, president of the World Economic Forum, the Swiss-based think tank which jointly arranged the conference with the independent US Council on Foreign Relations, likened the meeting to the pioneering steps taken in the late 1950s which created today's European Union.

Mr Shimon Peres, Israel's foreign minister, the most outspoken advocate of Middle East economic integration, has called the conference a "battle cry" for regional co-operation.

"Israel and many Arah countries are facing a new danger," he said, "one that cannot be fought hy conventional means of guns or tanks: the spread of extreme movements. What fuels these movements is poverty, starvation and unemployment...the answer must be economic."

Not everyone in the region shares Mr Peres' optimism. Syria and Lebanon are boycotting the summit and neither is prepared to join any multilateral talks including Israel until a full Syrian-Israeli peace is agreed.

Some Arab officials taking part have also voiced scepticism at the scale of the conference's ambitlons.

Israel has submitted a detailed list of projects worth up to $27bn over 10 years.

Some are immediately practicable: like linking electricity grids; water conservation and desalination plants; regional agriculture research and development; shared use of ports and airports and the development of huge tourism centres.

Others will require more time and political will, like a Beirut-Tel Aviv-Cairo-East Mediterranean coastal motorway, gas and oil pipelines from the Gulf to Israel's Mediterranean ports and plans to buy water from Turkey.

Israel and Jordan, the two countries most enthusiastic and perhaps best prepared for economic integration, will jointly present plans developed in a trilateral economic commission with the US for the cross-border development of the valley which divides the two states.

Jordan, whose dalegation will he headsd hy Crown Prince Hassan, also bopes to create a permanent process from Casablanca. "We're already discussing a sequel to it in Amman in the spring and are hoping to create a permanent secretariat," said Mr Ahmed Mango, tbe Crown Prince's economic adviser.

Mr Peres has promoted the creation of a Middle East development bank, with initial capital of $10bn. Modelled on the European Bank for Reconstruction and Development, it would principally make capital investments and long-term loans to finance regional infrastructure projects, provide technical assistance for projects and raise money on international capital markets. The new bank would also create a Middle East OECD as a forum for regional economic policy.

Israel also bopes in Casablanca to get western governments to commit themselves to an expanded programme of government guarantees, political risk insurance and export financing for regional projects.

But the summit's most antbusiastic proponents believe the core task will be to bring the private sector more solidly into the development of a region which, among Arab states notably, has lain overwhelmingly and often inefficiently in state hands.

Israeli companies alone are expected to present proposals for $100m in joint ventures.

There has been no shortage of interest from outside the region with an estimated 1,100 business executives descending on tha Moroccan city this weekend.

Invasion fever grips Taiwan

A book ignites fears China may send in troops, says **Laura Tyson**

Inauspicious celestial patterns and China'a desire to reclaim the island of Taiwan hava combined in a newly published best-seller to prompt the most severe bout of invasion fever to afflict the Taiwanese since the aarly 1980s.

Entitled "T-Day August 1995: The Warning of the Taiwan Strait War," the hook constructs in blunt terms an elaborate scenario whereby China retakes tbe island while the world stands by.

According to the Book, on T-Day an attack will be led by elite paratroops, who will land on the golf courses ringing the otherwise cluttered capital of Taipei.

Improbable? Yes. Impossible? Not necessarily.

China refuses9 to renounce the use of force to retake Taiwan and frequently reiterates its claim to sovereignty over the island. Ominous warnings from Beijing about military intervention have accompanied the growth of a Taiwanese independence movement, which does not want to be "reunited with the motherland", as China puts it.

Critics dismiss the book as politically motivated scaremongering. They charge that its publication in Angust was backed by right-wing elements in the ruling Kuomintang party and timed to dissuade Taiwan's middle-class from voting for pro-independence Democratic Progressive Party candidates in key December elections.

T DAY
THE WARNING OF
TAIWAN STRAIT WAR

The cover of the book warning of an invasion by China

But Taiwanese are genuinely concerned, as evidenced by a sharp rise in inquiries over emigration to western countries. And the hold over the Taiwanese imagination of all things superstitious cannot be underestimated.

According to the lunar calendar, next year will have an extra eighth month.

Chinese believe that the insertion of a month portends either blessing or calamity, usually the latter. Previous leap-months coincided with the invasion of China by western powers in 1900, a hloody purge in China in 1956-67, and struggles following Mao's death in 1976.

"In Chinese history, tha reason for starting s war is always fece, not economic advantage," said Mr James Chin, publisber of Business Weekly magazine, which published the book.

"The mentality of Chinese leaders is, 'If you don't respect me, I will teach you a lesson'. This has nothing to do with rational behaviour."

When Deng Xiaoping took power in the late 1970s, be is said to hava outlined three dreams: China's economic reform; the return of Hong Kong; and reunification with Taiwan. The first has heen largely achieved, the second is well in hand but the last is slipping away.

Mr Lu Yali, politics professor at National Taiwan University, said "tension has built up across the Taiwan Strait", as Taipei's pursuit of an international role for Taiwan has "created speculation that the leaders in China are not happy". He doesn't think China will invade, but understands the growing fears as part of the "psychology" of Taiwan.

With each election in recent years, the opposition parties ssp power from the KMT which has ruled the island since 1949. Direct presidential elections scheduled for early 1996 will consolidate the democratic legitimacy of a government which has been transformed from a military dictatorship since 1987.

The policies of the KMT are converging with those of the DPP, and it is becoming clear that regardless of who wins the presidential elections it will essentially be on a platform of independence.

This could be an excuse for China to invade.

China's domestic turmoil will also be a catalyst for an attack, the book argues.

An external conflict, whether successful or otherwise, will serve to distract from problems at home and consolidate the power of Deng's successors.

Scottish Hydro-Electric says Offer controls will curb distribution investment

MMC to rule on power price row

By Michael Smith

Offer, the electricity regulator, is to ask the Monopolies and Mergers Commission to adjudicate after Scottish Hydro-Electric, the power company, announced yesterday it was not accepting price controls due to take effect next April.

It will be the first MMC referral made by Professor Stephen Littlechild, Offer director-general. ScottishPower yesterday accepted the price controls and regional power companies in England and Wales have already done so.

The referral results from circumstances unique to Hydro. But analysts said yesterday that it could have wider implications. Although it is unlikely that the reviews of the other companies will be re-opened to allow changes, the MMC may look at how Prof Littlechild reached his conclusions throughout the sector. "There is a danger for him that they will say he got it wrong," said one analyst.

Hydro's share price was steady yesterday, with most investors taking the view that it could gain but was unlikely to lose as a result of a review. The shares are already on the highest yield, and therefore the lowest rating, in the sector.

The company said it would continue its policy, effective to the end of this year, of increasing dividends annually by between 6 per cent and 8 per cent in real terms.

Hydro said yesterday that its prime concern was that Prof Littlechild's review implied a rate of return for the distribution business which, at 2 per cent, would effectively prevent funding the proper level of maintenance. All other companies in the sector will enjoy a considerably higher rate of return following their reviews, with the regional companies on about 7 per cent and ScottishPower 6 per cent.

Mr Roger Young, Hydro's chief executive, said without a change to the price controls his company would not be able to invest in its distribution business. "If we do not invest then shareholders' assets crumble and the number of power cuts rises.

"The acceptance of these proposals would place Hydro in an even more difficult position at the next price control review in 1999. The regulatory rules preclude unauthorised cross-subsidy of distribution from other business activities."

Hydro said it expected to be able to continue cutting electricity prices even with "more appropriate" price controls. It already had among the lowest domestic prices in Britain.

The company is also challenging the "Hydro benefit" system which allows the company to cross-subsidise the transmission and distribution businesses from generation. It said it agreed with the principle of the system but not the mechanism for bringing it into practice.

The MMC reference is likely to take at least six months. Offer said it would hope to announce terms of reference in the next few weeks.

Lex, Page 24

Forum strains Dublin-London relations

By John Murray Brown in Dublin

New signs of strain between London and Dublin emerged yesterday over a framework document for Northern Ireland as Irish prime minister Mr Albert Reynolds outlined his hopes for the Forum for Peace and Reconciliation.

Mr Reynolds was clearly disappointed at the decision of the British ambassador Mr David Blatherwick not to attend on the opening day.

Downing Street said the ambassador declined because of the presence of Sinn Féin, with which London has not entered into exploratory talks.

Mr Gerry Adams, leader of Sinn Féin, the IRA's political wing, described the British move as petty. "It's an indication of the British attitude not just to the peace process, but also to the Irish government," he said.

In another remark unlikely to comfort London, Mr Reynolds appeared to link the issue of the "disposal of arms" with a British decision to withdraw "troops to barracks". London insists that weapons should be decommissioned before Sinn Féin is allowed into substantive talks.

The forum gathering in Dublin Castle comprised leaders of the constitutional parties of the south, together with Sinn Féin, the moderate nationalist Social Democratic and Labour party and the non-sectarian alliance of Northern Ireland.

Amid public confusion over the purposes of the forum, particularly with the absence of the main unionist parties of the north, Mr Reynolds stressed that "no one should be in any doubt about the value or the importance of its work".

He said the forum would "establish for the first time in our history some measure of agreement on future structures governing relationships within Northern Ireland, between north and south and between Ireland and Britain," a reference to the so-called three strands of the current Anglo-Irish talks. Mr Reynolds also held out the prospect of a debate on constitutional change, as foreshadowed in the Downing Street declaration.

London is pressing Dublin to remove the territorial claim to Northern Ireland as stated in Article 2 of its 1937 constitution as a necessary first step to appease unionist misgivings before a comprehensive agreement can be concluded.

Mr Reynolds said: "The Irish government will only subscribe to a joint framework document if we are satisfied that it can form the basis for negotiating a new and deep accommodation, and that it can provide secure foundations for a just and lasting peace." This for the first time held out the possibility that agreement may not be concluded.

Islands win top marks for best-value schools

By John Authers

In education, the best value for money seems to lie offshore.

A rough analysis of the value for money which independent schools offer, based on the FT-1000 ranking of their A-level results published today in the Financial Times, shows that the top two day schools in the British Isles are both in the Channel Islands.

Guernsey Ladies' College charges £675 a term, compared with an average for the UK of £1,372, while Victoria College, Jersey, charges £559.

Among boarding schools, the best value is St Mary's, in Shaftesbury, Dorset. Girls' boarding schools performed well, accounting for all top four places. But prestigious boys' schools still ranked highly, even after their fees were taken into account, with Eton offering best value among boys' boarding schools.

The list of day schools includes several big-city independent grammar schools, such as Withington Girls' School, Manchester Grammar, and King Edward VI girls' school in Birmingham.

The rankings take no account of the degree to which schools select their entry, or of extra-curricular activities. Value-for-money rankings were derived by dividing schools' A-level scores by their fees. This favours selective academic schools, and those listed here do not necessarily offer best value for children not academically gifted.

FT Top 1000 Schools, separate section

INDEPENDENT SCHOOLS: VALUE FOR MONEY?

FT1000 A-level Ranking	School	Town	Fees per term (£)
DAY SCHOOLS			
115	Ladies' College	Guernsey	675
405	Victoria College	Jersey	559
16	Withington Girls'	Manchester	1195
134	St Michael's	Llanelli, S Wales	1015
37	Bablake School	Coventry	1165
64	Royal Grammar	Newcastle upon Tyne	1147
7	Manchester Grammar	Manchester	1330
21	Bradford Grammar	Bradford	1270
9	King Edward VI	Birmingham	1340
229	St Dominic's Priory	Stone, Staffs	1014
BOARDING SCHOOLS			
109	St Mary's School	Shaftesbury, Dorset	3100
19	Badminton School	Bristol	3575
207	Casterton School	Kirkby, Cumbria	2894
14	Malvern Girls'	Malvern, Hereford	3675
2	Eton College	Windsor Berks	4128
190	Penrhos College	Colwyn Bay, N Wales	2990
101	Tudor Hall School	Banbury, Oxon	3265
8	Downe House	Newbury, Berks	3945
4	Winchester College	Winchester, Hants	4262
165	St Leonard's	Mayfield, E Sussex	3165

Iolo Williams

Nationalist fervour: Dafydd Wigley acknowledges a standing ovation after his speech yesterday at the Plaid Cymru conference

Welsh and Scots step up calls for Ulster-style deal

By Kevin Brown, Political Correspondent

The government is facing growing demands from Welsh and Scottish nationalists for equal constitutional treatment with Northern Ireland, including the establishment of devolved assemblies.

Nationalists in both countries see the Ulster peace talks as the trigger for a campaign to highlight the contradictions between the government's approach to Northern Ireland and its handling of Scotland and Wales.

Nationalists intend to contrast the government's reluctance to acknowledge peaceful demands for Scottish and Welsh devolution with its willingness to negotiate with Sinn Féin, the political wing of the IRA, if the Northern Ireland ceasefire holds.

Mr Dafydd Wigley, president of Plaid Cymru, the Welsh nationalist party, yesterday stepped up the campaign at the party's conference in Llandudno, appealing to Mr John Major to recognise that Ulster and Wales have equal rights to self-determination.

"In the name of democracy, consistency and political justice, I appeal to the prime minister to recognise the morally indefensible position of denying these self-same rights to the people of Wales," he said.

"If John Major can tell the people of the six counties of Northern Ireland that if it is their wish, democratically expressed, that they can unite with the Irish Republic... by what token can he deny that self-same degree of sovereignty to the people of Wales and of Scotland?"

The issue was raised in the Commons on Thursday by Mr Alex Salmond, leader of the Scottish National party, in a barbed intervention at prime minister's question time.

Congratulating Mr Major on the apparent success of his Northern Ireland policy, Mr Salmond pointed out that it hinged on the right of the people of Northern Ireland to determine their own future.

"For the avoidance of any doubt, will you confirm that you also believe in the right of self-determination for the Scottish nation?" he asked.

Mr Major, who fell back on claims that devolution would raise taxes, appeared to have no answer to a line of questioning that promises to become increasingly embarrassing for the government.

Walker received £1m in legal aid

Mr George Walker, the leisure entrepreneur cleared of orchestrating a fraud at Brent Walker, his former company, received more than £1m in legal aid it was disclosed yesterday, James Blitz writes.

Mr John Taylor, the parliamentary secretary at the Lord Chancellor's Department, said Mr Walker, who was acquitted earlier this week, had received £1,152,442 to help fight his case.

He said it was not possible to estimate, as yet, what the final cost of the court case would be, although the total sum has been estimated at £5m.

Mr Taylor also revealed that Mr Ian Maxwell and Mr Kevin Maxwell, the sons of the disgraced tycoon Robert Maxwell, have already received £400,000 in legal aid payments to help fight charges arising out of the collapse of their father's business empire.

Names' opponents to start action

The long-running court battle by Lloyd's Names to win compensation for losses took a further twist yesterday when their opponents' lawyers said they would launch their own legal proceedings.

The action is being taken by lawyers representing errors-and-omissions insurers who provided negligence cover for the professional Lloyd's agencies being sued by Names' action groups.

Earlier this month Gooda Walker Names won substantial damages for losses incurred between 1988 and 1990. E&O insurers now want the High Court to clarify whether those Names should be allowed to take a large share of the funds available for paying damages - or whether some should be held back to pay awards won by other Names' action groups.

Westminster leader sets out innocence

Mr Miles Young, Westminster City Council leader, yesterday sought to prove his innocence at the public hearings into gerrymandering allegations.

The council's district auditor, Mr John Magill, ruled in his provisional report that Mr Young was not "actively involved" in gerrymandering. But this finding has been challenged by objectors whose initial complaints prompted the district auditor's investigation.

Mr Bernard Livesey, QC for Mr Young, said there was no new evidence to make the district auditor change his mind.

Warning on small pension schemes

The government should be wary of allowing small pension schemes to operate under a weaker regulatory regime than large ones because small schemes generally pose the greatest problems, according to the Occupational Pensions Advisory Service.

Mr Don Hall, chief executive of Opas, a government-funded body which advises individuals who have concerns about their occupational pensions, said: "It's the area of small schemes where historically we have had the most problems."

Finance and the Family, Weekend FT

Business boosted by EU developments

Business leaders believe developments in the European Union during the past five years have helped to increase trade for their companies, says a survey released yesterday.

The poll by MORI for American Express, conducted among 101 board directors of Britain's largest 500 companies, revealed that 39 per cent of those polled believed their companies had increased trade with Europe since 1989, in spite of the fact that 35 per cent said EU developments had led to stiffer competition.

Radio licences announced

The Radio Authority yesterday announced plans for the next batch of commercial radio licences, including four new regional stations to serve nearly 7m listeners.

As well as the four new regional FM stations for the Yorkshire area, East Anglia, east Midlands and the Solent, the authority also disclosed plans at the annual Commercial Radio Convention in Dublin for 20 new licences for stations that will generally be smaller than existing independent local radio stations.

RJB to offer miners deal if bid succeeds

By David Goodhart, Labour Editor

Mr Richard Budge, the chief executive of RJB Mining, is expected to offer miners a new three-year contract if his £900m bid to take over British Coal's English mines is successful.

Mr Budge says that such a deal would provide greater security for the 7,000 miners he is expected to inherit with the pits. However another advantage of the offer is that it would supersede the European Union's acquired rights directive – known as Tupe – which covers the transfer.

Tupe preserves most aspects of pay – including pensions – conditions, and union recognition, when a business is transferred to a new owner. It also means that any redundancies will attract the British Coal pay-off of up to £27,000.

Mr Budge says that he is not worried by Tupe and that it has been taken into account in his bid price. He also says he is contemplating only "dozens" of redundancies on the basis of the current transfer figure of 7,000 people.

Today he will seek to calm anxieties about the transfer before a group of Union of Democratic Mineworkers officials in Mansfield. He will say that he has few ambitions to change working practices.

However he is known to want to and the incentive bonus scheme which pays a significant minority of miners up to £1,000 per week.

Mr Neal Greatrex, leader of the UDM, which was involved in a rival bid, remains suspicious of Mr Budge: "He's overstretched himself . . . our legal advice suggests he won't be able to compensate by reducing wages."

Other union leaders such as Mr Doug Bulmer, president of BACM, the colliery managers' unions, are more supportive. Mr Bulmer says that without British Coal's liabilities Mr Budge will be able to produce coal at less than £24 per tonne compared with about £32 per tonne now.

UK coal sales could be given a boost later this decade as a result of negotiations to build a combined heat and power plant in the north-west of England, Michael Smith writes.

The proposed plant for the Northwich, Cheshire, site of Brunner Mond, the chemicals company, would use 1m tonnes of coal a year, replacing a facility that uses just a fifth of that amount.

It would be the first significant coal-fired power station to be built in several years and would provide a substantial fillip to the coal industry which has lost out recently to gas in power generation.

Brunner Mond is considering the possibility of a joint venture on the clean coal technology project with Manweb, the electricity company, and IVO, the Finnish power group.

Features, Page 7
UK Companies, Page 8

Eggar supports Europe

By Ivor Owen, Parliamentary Correspondent

Britain outside the European Union would be "just an irrelevance", Mr Tim Eggar, energy minister, warned in the Commons yesterday in dismissing suggestions that withdrawal was a viable option.

He did not dispute assertions by Labour MPs that his words were principally aimed at Mr Norman Lamont, the former chancellor, who recently branded as "simplistic" those who argue that such a course is unthinkable.

Mr Stuart Bell, a Labour industry spokesman, said that although Mr Lamont's name had not been mentioned he was the "ghost at the feast".

Mr Eggar cited Britain's success in attracting inward investment – which amounted to £200bn in 1991 and is excelled only by the US – as evidence of the benefits stemming from being "at the heart of Europe".

He said the government's success in excluding Britain from the European Union's social chapter meant there were no barriers to flexible working hours.

Mr Eggar denied that the discretionary grants available to industry through regional selective assistance were under threat because of criticism from Mr Michael Portillo, the employment secretary, in his earlier role as chief secretary to the Treasury.

Mr Bell claimed that Mr Eggar had underlined the extent of the Tory splits over Europe: extending from Mr Lamont and other Euro-sceptics on the back benches, to Mr Portillo in the cabinet.

Labour would "sign-up" to the full social chapter, said Mr Bell, denying that inward investment would then decline.

Borrowers lean to variable-rate mortgages

By Alison Smith

Borrowers turned away from banks' fixed-rate mortgages to their variable rate loans in the third quarter, according to figures released yesterday by the British Bankers' Association.

It said the proportion of mortgages on fixed rates dropped from 73 per cent in the second quarter to 53 per cent.

In contrast to last summer when banks won significant mortgage business through fixed rates, which were cheaper than variable rate loans, fixed rates can now be more expensive than floating-rate mortgages, particularly those which have heavy discounts in the early years.

The figures underline the shift in market share between banks and building societies since last year.

Seasonally-adjusted figures for new net lending undertaken rose to £659m last month compared with £610m in August, but below the £827m equivalent figure for September last year.

However, the impact of the 0.5 percentage point rise in interest rates last month is less clear-cut.

Loans approved but not yet undertaken – an important forward-looking indicator since they translate into lending carried out in the following weeks – dropped from 31,047 approved in August to 29,718 approved in September.

A similar drop occurred between August and September last year, but from a higher base.

The association highlighted the fact that banks' gross mortgage lending totalled £1.74bn in September – more than 3 per cent higher than in September last year.

But the difference between the rise in new gross lending compared with last year and the drop in new net lending suggests that people are remortgaging to find the best offers available.

Negative equity count shows plus signs

Alison Smith finds controversy over the effects of the problem

While the problem of having a mortgage which is larger than the value of one's home is still casting a shadow over hundreds of thousands of households, the gloom that "negative equity" has shed over the housing market appears to be lifting somewhat.

Two estimates published this week of the extent of negative equity in the third quarter of this year, confirmed the fall during the past 12 months.

The Bank of England estimates that 1,096,000 households were in this plight – a drop of 16 per cent compared with the final three months of last year.

A separate assessment by the Woolwich building society, the UK's third largest, put the number of negative equity households at 930,000 – more than 20 per cent lower than the fourth quarter of last year.

The UK's largest mortgage lenders agree that they are pleased to see negative equity falling, and that it is not the restriction on the housing market that it was a year or 18 months ago.

Against the background of house prices which are no longer tumbling – even if the price increases seem small and fragile – opinions are more divided about how far negative equity is acting as a depressant on the housing market at its current, lower levels.

Mr Martin Ellis, chief economist at Woolwich, described its impact as "removing a rung from the housing ladder", and said it must fall further "before it stops being a problem".

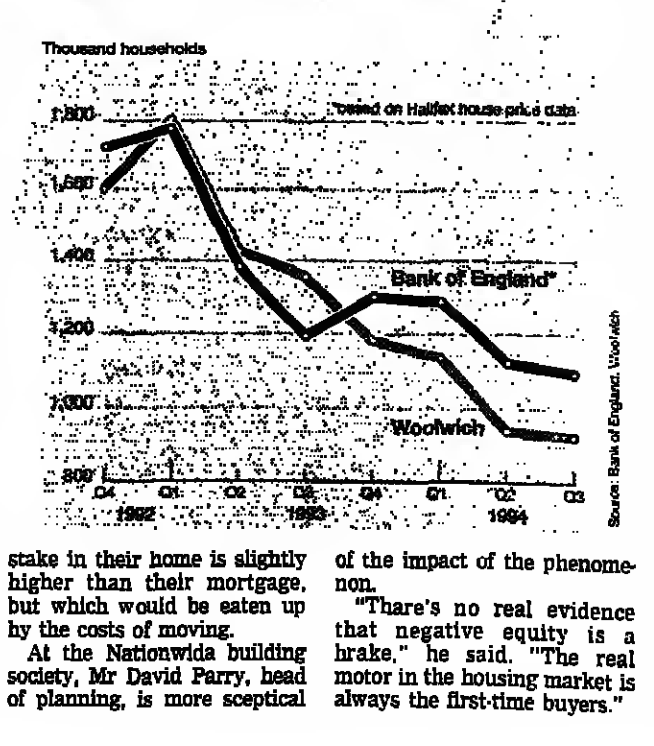
Many households in that position are those who bought for the first time in the late 1980s, he said, and who might otherwise be expected to move or to have moved already.

He also highlighted the constraints on households whose stake in their home is slightly higher than their mortgage, but which would be eaten up by the costs of moving.

At the Nationwide building society, Mr David Parry, head of planning, is more sceptical of the impact of the phenomenon.

"There's no real evidence that negative equity is a brake," he said. "The real motor in the housing market is always the first-time buyers."

Negative equity: the gloom lifts



Some economists argue, however, that negative equity has an effect in deterring first-time buyers in particular.

The Halifax building society, the UK's largest mortgage lender, pointed out that fear of negative equity from falls in house prices may be a particularly acute problem for first-time buyers because they are most likely to be borrowing the highest proportions of the value of their home.

For Abbey National, with its bias in coverage towards the south-east of England, the gradual reduction in negative equity has been particularly important: the region was especially hard hit by the fall in house prices.

Even so, Mr Charles Toner, managing director of Abbey's retail operations, played down the importance of negative equity as a factor, compared with the impact of the apparent lack of sustained confidence in economic recovery. "If it halved again in the next year its impact would become marginal," he said.

Halifax calls back sales force for re-testing

By Alison Smith

Halifax building society, one of the UK's largest personal finance organisations, is to withdraw its 600-strong financial services sales force for re-testing, after discovering failures to meet regulators' standards.

The temporary withdrawal is a severe embarrassment to the organisation, coming just two monthe before the launch of a wholly owned life insurance subsidiary, Halifax Life.

Halifax said yesterday that the compliance failures revealed by its internal checks related to "observed interviews" which sales agents perform as part of their continuous training, and there was no evidence that any customer had been given poor advice or had suffered.

While most of the irregularities were minor – such as an intervention in an interview by an observer who should have remained silent – some more serious matters – including failures to carry ont the observed interview at all – had involved "a handful" of the sales force.

Mr James Crosby, general manager of financial services at Halifax, said yesterday: "It is disappointing that a minority of our advisers have not followed the required procedures. We have a comprehensive action plan in hand to ensure that these incidents do not recur and that all our advisers measure up to [our] high standards."

Even so, the move is ewkward for the society as it prepares for its own life subsidiary, particularly as earlier this year Mr Mike Blackburn, chief executive, set the society the specific aim of being "the biggest and best personal finance business in the UK".

Halifax's approach to setting up the life operation has been marked by e desire to see its strong brand image as a mortgage lender extended to the new business, partly by exercising strict control over the prodncts and services offered.

The re-testing process is due to take two to three weeks. The sales agents who pass – which Halifax expects to be the vast majority – will then be able to go back to giving financial advice for mortgage-related products.

At the same time they will receive detailed training on Halifax Life products as the society had intended they should in December anyway. They will not return to more general financial planning advice until the new operation opens for business.

Yesterday's announcement does not affect the 2,000-plus Halifax branch staff who can advise on endowment mortgages but not on the full range of financial services.

Halifax is not the first large financial organisation to have to undertake a high-profile withdrawal of its sales force this year. Norwich Union, the insurer, and Nationwide Building Society, the UK's second largest, have both had to announce temporary suspensions of financial services sales staff for re-training.

Virgin drink risks holy row

By Raymond Snoddy

Mr Richard Branson provoked a potential boly row yesterday by announcing in the staunchly Romen Catholic Irish Republic that he planned to launch e drink next year called Virgin Mary.

The tomato and Tabasco mixer is intended to go with Virgin Vodka, due in the shops in three weeks, and is part of the continuing programme of launching drinks to go alongside Virgin Cola.

Mr Branson expressed surprise that using the Virgin name to sell a Virgin Mary drink might be controversial.

"It never occurred to me," he said. "A Virgin Mary is what you call a tomato and Tabasco drink. I drink it all the time.

Ha added: "If we are going to offend people, we will obviously think twice."

In interviews at the Commercial Radio Convention in Dublin, Mr Branson also gave a progress report on Virgin Cola. He said there were firm sales already of 30m cans, with 24m going to the Tesco supermarket group. Mr Branson said that et a retail price of 25p he expected a 50 per cent market share in Tesco stores before Christmas.

The Iceland foodstore chain, he said, would replace Pepsi with Virgin Cola and was likely to give the new brand greater prominence than Coca-Cola. Next week Virgin will also announce a cola deal with e 1,800-strong off-licence chain which Mr Branson declined to name. "By the end of November we will be in 3,500 stores," he said.

The Virgin chief added that he planned to launch a range of soft drinks under the Virgin name, including Virgin Water, orange juice and lemonade. "The range of drinks that Coke sells we will be selling," he said.

Mr Branson conceded that the Virgin name had been considered, and rapidly dropped, for two other company ventures: Mates condoms and a model agency.

Former banker appointed to lift Tory funds

By Peter Marsh

The Conservative party has appointed a former investment banker as its new head of fund-raising in a fresh attempt to cut its £15m overdraft by attracting more company donations.

Mr Richard Warner, who until the early 1990s worked for Morgan Grenfell, the merchant bank, will have as one of his main responsibilities contacting company chairman who have been reluctant to donate to the Tories.

His appointment marks a break in tradition at Conservative Central Office since for the past 24 years this role has been undertaken by retired generals.

One of Mr Warner's tasks will be to increase annual donations to the party from individuels and companies from £9.4m in 1993-94. It is believed thet the Conservatives want this to increase to at least £20m by the time of the next general election, likely to be in about two years.

Over this period the Tories want to cut the overdraft, which came ebout after high spending in the late 1980s and early 1990s, to about zero.

In the past two years total donations – believed to be split roughly evenly between companies and individuals – have slipped. Several big companies have cut cash gifts either because of disillusionment with the effectiveness of donations, or because of reduced profits in the recession.

Mr Warner, 55, said be wanted people to feel proud of giving money to the Tories. He took over last week from Maj Gen Stuart Watson, who retired. Mr Warner, a chemical engineer whose first job was with Imperial Chemical Industries, worked for Morgan Grenfell for more than a decade.

Mr Austin Mitchell, the Labour MP, has complained to the Institute of Chartered Accountants about the auditing of the Conservative party's accounts, Jim Kelly writes.

Mr Mitchell has written to Mr Andrew Colquhoun, institute president, alleging that the andit by Coopers & Lybrand for tha 1993-94 accounts is deficient. Ha says the absence of information about the source of donations amounting to £9.4m undermines the ability of the accounts to provida a "trua and fair view".

Mr Paul Jndge, director-general of Conservative Central Office, said Coopers & Lybrand were one of the most repntable firms in the world.

Coopers & Lybrand said it could not comment on the case of a client.

Lottery bets on a hitch in live trials

Raymond Snoddy on the build-up to a network of 10,000 terminals going on-line

THE NATIONAL LOTTERY

The National Lottery comes a etep closer today with the first of a series of "play days" – live drese rehearsals leading up to the launch of the real thing on November 19.

In more than 10,000 retail outlets in every local anthority area in the UK staff will "buy" their £1 tickets, choose six numbers out of 49 and have them verified by the lottery terminals linked to a complex, high-security network.

On Tuesday the numbers will be drawn as if for real although the prize will be a weekend for two in Paris for the retailer who makes fewest mistakes, rather than what will become the usual £2m or more jackpot.

The only certainty ebout the dress rehearsal is thet something is bound to go wrong, Mr David Rigg, communications director of Camelot, the lottery operator, conceded.

Bnt whatever flaws are found, Camelot has already achieved a great deal – operating e live national network for the largest single lottery to be launched in less than 25 weeks.

Already ICL, e member of the Camelot consortium, has manufactured and installed the specially designed lottery terminals for the launch.

Peritas, ICL's training subsidiary, will have completed the lottery terminal training for more than 35,000 people in the space of six weeks. The training was was carried out at more than 220 locations throughout the UK, usually at hotels.

It was unable to begin training the targefed three staff from each of the 10,000 or so retailers – which can range from petrol stations and independent newsagents to J. Sainsbury and Tesco stores – before September 19. There was no point in training people before terminals were installed or too far before that launch.

"I cannot conceive that anything like it has happened before, not in such a concentrated period," eeid Mr Tim Holley, chief executive of Camelot, who, like ell the 500 Camelot staff, has taken the three-and-a-half-hour course.

"All the Camelot staff are going to be trained. I want them to understand in responding to retailers exactly what is involved," Mr Holley added.

Mr Stuart Kearns, Peritas manager of the Camelot training project, looked at lotteries in other parts of the world before designing the programme. One key thing to evoid was what happened in the Texas lottery where 28 per cent of those supposed to come for training were "no shows".

This lead to the decision to have such a large number of vennes around the country so that no one should have to travel for more than half an hour to get there.

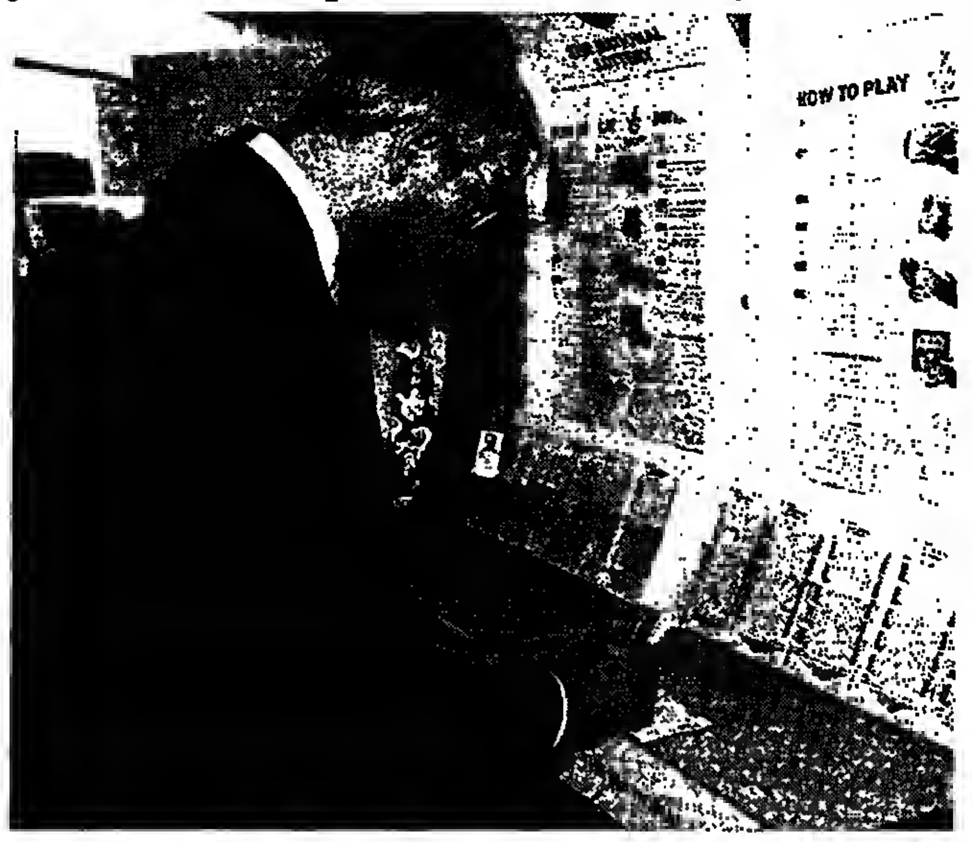
The course covered everything from an introduction to the lottery and the five "good causes" which will benefit – possibly to the extent of £9bn over seven years – to how to operate the lottery terminals. There was also a quiz at the end to check knowledge.

"If people really haven't coped, we take steps to ensure that they really will be ell right," Mr Holley said.

The training contract will represent a multi-million pound deal for Peritas by the time the full complement of more than 40,000 retailers have been trained by the end of 1996.

After the November 19 launch there will be a pause to draw breeth before the programme of installing on-line lottery terminals rolls on. There will be another pause in the spring when scratch cards will be launched in addition to the multi-million jackpot draw.

As the final countdown gets under way there was encouraging market research for Camelot. Thirty per cent of people said they would pley the Netional Lottery every week and as many as 80 per cent said they would buy tickets occasionally.



Press Association

Political gamble: John Major tries his luck in the National Lottery at a shop in south Wales

Conservative MPs put on a brave face over 'sleaze'

By Kevin Brown, Political Correspondent

Conservative MPs escaped to their constituencies from the hothouse of Westminster yesterday hoping desperately that the steady drip of "sleaze" allegations against the government has been staunched.

Publicly, they were putting on a brave face, arguing that with 2½ years to go before tha next general alection, the government has plenty of time to recovar its lost popularity.

Many offered a parallel with the Westland affair in 1985-86, which came close to bringing down the government, but was followed by Baroness Thatcher's overwhelming victory in the 1987 general election.

MPs from both sides of the party dismissed most of the allegations as either trivial or unfounded, but there were sharp differences on Mr John Major'e handling of the affair.

Most mainstream MPs believe the prima minister coped reasonably well in trying circumstances. Many were pleased by his fighting performance at prime minister's question time on Thursday, when be angrily dismiseed Labour probing.

But right-wingers were largely dismissive, claiming that the prime minister had displayed weakness and disloyalty, especially to Mr Neil Hamilton, the corporate affairs minister who resigned earlier this week.

"The problem is that his decision to sack Neil, even though the allegations against him were unfounded, has left every minister open to challange. We just don't know who's next," said one.

The right was also angry with newspaper reporting of the events of the week, claiming that trivial and unsubstantiated allegations had been unfairly exploited to embarrass ministers.

"I've been told that newspapers have four more names which are going to be released et the rate of one a month," e senior rightwing backbencher claimed confidentially.

Conspiracy fantasies aside, the party has clearly been deeply wounded by the controversy. "It is devastating us," a senior member of the 1922 committee of backbenchers admitted.

"We are just hoping it will go away. But the real danger is that there will be more [allegations]. If that happens we are in real trouble," he said.

Another backbancher, fiercely loyal to the prime minister, argued that he had laid the groundwork for e government fightback by setting up tha standing committee on public standards, to be chaired by Lord Nolan.

But she admitted: "All this is hurting us e lot. It has lowered our morale. We were already unpopular because of the recession; now people think we are crooked as well as incompetent."

In a sign of the times, departing MPs of all parties rushed to comply with Commons rules that payments and overseas visits must be entered in tha Commons register of interests within four weeks.

Scrutiny of the register revealed a number of oversights by MPs on both sides, notably Mr Bernie Grant, Labour MP for Tottenham, who added seven free or subsidised overseas trips to his previous declaration.

"It's crazy really," said one MP. "Many of these things are pretty minor, and this is the first chance most people have had to register things since the summer break. But in the current climate everyone has to be squeaky clean."

Nolan committee to meet next week

By James Blitz

The committee headed by Lord Nolan set up to examine standards of conduct in public life is to hold its first meeting next week.

This underlines the speed with which the prime minister wishes to calm concerns of sleaze hanging over his government.

Lord Nolan has told Whitehall officials that be wants to hold most of the committee's hearings in public. Bnt be has also given an assurance that he will abide by the remit set by Mr John Major, and will avoid investigating specific allegations of impropriety against Tory MPs.

The committee's members include Sir Martin Jacomb, chairman of the British Council, Sir Clifford Boulton, the former clerk of the Commons, and Dame Anne Warburton, former president of Lucy Cavendish College, Cambridge.

One member said the task of examining whether standards of conduct for public servants should be tightened would be hard to achieve.

Inquiry into tunnel collapse delayed

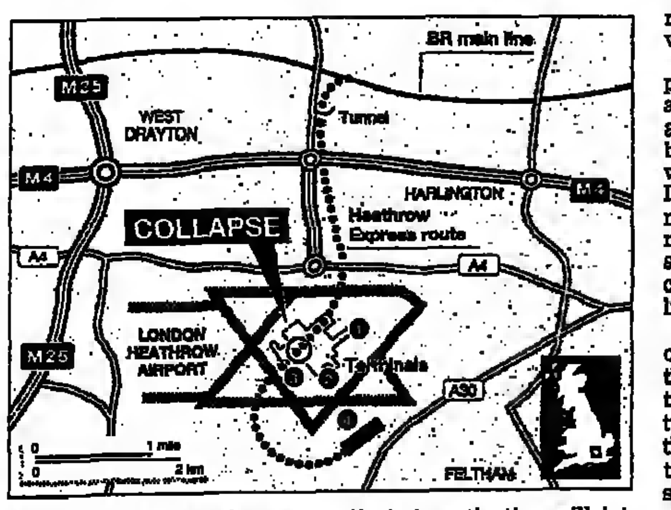
By Charles Batchelor, Transport Correspondent

An investigation into the cause of the collapse of a railway tunnel under construction at London'e Heethrow airport could take longer than originally expected, BAA, tha airport operator said yesterday.

News of the delay followed an announcement by the Health and Safety Executive late on Thursday that it would carry out its own investigation of the collapse. It plans to publish its findings.

The problems at Heathrow started a week ago when earth began slipping into a tunnel being excavated using e technique known as the new Austrian tunnelling method. The tunnel forms part of the £300m Heathrow express rail link to Paddington station in London.

BAA said it would take until the end of next week et the earliest before its own inquiry produced any conclusions.



Work on the collapse site, near the terminal three car park, will remain suspended as will tunnelling using the same method at two sites on tha Jnbilee Line extension of tha London Underground.

The Health and Safety Executive's investigation will initially look et whether the Heathrow failure was specific to the site and then go on to consider whether there are any broader implications for this method of tunnelling. It will compare the safety of this technique with thet of more conventional methods.

The Austrian method dispenses with a boring machine and uses an excavator to create a tunnel with the walls being temporarily reinforced with wire mesh and concrete. It has been used worldwide for more than 40 years and is normally employed to provide short-term support before the construction of the final lining.

There is no evidence that, once the work is finished, there is any difference between the safety and integrity of tunnels built in this way and those using more conventional techniqnes, the executive said.

A tunnel being built by this method in Munich collapsed during the construction phase earlier this year. But the ground conditions were so different thet there was no reason to halt work in London, it added.

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Greenspan in China

Mr Jiang Zemin, the Chinese president, had plenty to learn this week from the visiting chairman of the Federal Reserve, Mr Alan Greenspan. But one lesson of the market applies as much to recent experience in the US as it does to China. Capitalism can allow a large economy to grow faster, but it will rarely allow deep structural weaknesses to go unexposed.

One thing Mr Greenspan shares with his hosts is a penchant for gradualism or, as they say in Beijing, "crossing the river by feeling the stones". For China, this has meant 15 years of incremental reforms. For Mr Greenspan, it has meant a career as Federal Reserve chairman in which the interest rate on federal funds has never changed by more than half a percentage point at a time.

Since February, he has applied this strategy to slowing growth in the US, just as he did to reviving it during the recession. A series of five rate rises has left the interest rate at 4.75 per cent, 1¾ percentage points higher than it was at the start of the year.

One does not have to have a communist's scepticism of markets to favour incrementalism. Monetary policy is a more established art in the US than it is in China, but the precise effect of a given change, not to mention the lag with which it will operate, are uncertain nonetheless. Mr Greenspan would like a soft landing for the economy and considers a gentle tightening of monetary policy to be more consistent with this goal than a more dramatic correction.

The trouble with gradualism, as the Chinese have discovered, is that economies do not always play by the rules. Data released yesterday showed US real GDP growing at a rate of 3.4 per cent in the third quarter of 1994. This is down on the previous quarter's 4.1 per cent rise, but is still significantly higher than the 2.5 per cent that Mr Greenspan thinks consistent with stable prices.

High yield

Over the past few decades, the real rate on federal funds has averaged 2 per cent, a little more than its current level. Investors fear that this is altogether too relaxed for an economy half-way through its fourth year of recovery. That anxiety continues to translate into rising long-term interest rates. The yield on long-term US treasury bonds is now over 8 per cent, its highest level since May 1992.

Are these concerns justified? It is in the nature of monetary policy that no one will know whether Mr Greenspan is making a mistake until it is too late to correct it. The evidence suggests several developments that could fuel inflation, but only anecdotal evidence that they are yet doing so.

In the past, commodity prices, high rates of industrial capacity utilisation, tight labour markets and a falling dollar have individually proved capable of triggering inflation. In 1994, US producers have had all four to deal with. The fear is that that sooner, rather than later, they will raise prices to compensate.

Subdued picture

It has not happened yet. The latest price data showed a subdued picture. Consumer prices rose at an annual rate of 2.9 per cent in September, and the equivalent figure for producer prices was only 1.9 per cent. The labour market evidence is similarly ambiguous. Hiring, especially in the service sector, continues apace. But so far there is little sign that wages are starting to rise in step. Indeed, on Wednesday the labour department revealed that worker compensation rose 3.2 per cent in the year to September, the lowest year-on-year increase since the series began in 1981.

Mr Greenspan may wish to ponder the data further before announcing another rate rise. The political climate in the run-up to the November election is unusually mean this year. The Fed chairman would rather not be the butt of the administration's frustration at widely expected Democratic losses.

The trouble is that international investors see things more starkly than Mr Greenspan and, unlike him, they are not in a mood to be accommodating. Without an un-Greenspan-like rise in interest rates – perhaps even *with* such an increase – the markets' doubts are likely to keep the dollar heading down, and bond yields heading up.

Investors may find fault with Mr Greenspan's self-restraint over interest rate rises. But they are also exacting a penalty for the things about the US which even a more aggressive central banker could do little to alter. The US had a $203bn federal deficit in fiscal year 1994, and low savings to compensate for that built-in profligacy. The result is a current account deficit which can only be funded by persuading domestic and foreign investors to buy American assets. Neither category sees many reasons for doing so.

The US economy, unlike most other industrial countries, is reaching the peak of the current cycle. From now on the economic news is likely to bring disappointment to the US people and to Mr Clinton. The argument between Mr Greenspan and the markets is only over how much disappointment and how fast it will come.

Bernard Gray examines the implications for the UK defence industry of GEC's tussle with British Aerospace for VSEL

Tug-of-love over shipyard

The battle for VSEL is a game theory problem. "As long as the yard remained independent both British Aerospace and GEC were happy. But once one of them tried to buy the yard, the other had to follow, because whoever owns VSEL has the prime position in the British naval defence industry. There is only one bid contract going for the Royal Navy in the next 10 years and that is for five Trafalgar submarines worth £2.5bn. Whoever owns VSEL will win that contract."

One defence executive's view of the tug-of-love battle which has developed for the Barrow-based submarine maker between Britain's two defence giants.

It is a view which is supported by the history. Both British Aerospace and GEC have been sniffing around VSEL for almost a year.

BAe almost bid for the company at the time it sold Rover in February, but decided not to confuse the two issues. John Cahill, BAe's chairman, then stood down and was replaced by Bob Bauman. It took the board several months to rehearse the issues once more before deciding to renew takeover talks in August. Once BAe's half-year financial results were declared in mid-September, the way was open for a bid.

GEC meanwhile had crawled all over VSEL's accounts in May, but had decided not to bid. It viewed the company as too expensive to buy, and provided BAe did not bid, GEC was happy.

Once BAe struck, however, the rules of the game changed. GEC could no longer assume that it stood a decent chance of winning the Trafalgar submarine order without owning VSEL. GEC immediately demanded access to the documents BAe had seen in its talks, as it is entitled to do under the takeover rules.

After two weeks poring over them, GEC launched a £14 a share cash bid first thing yesterday morning – against BAe's all-share offer worth £13 a share on Thursday night – and bought 14 per cent of VSEL's shares in the market. The phoney war for VSEL was over, and the real fight was on.

Yet while the future of the £2.5bn Trafalgar contract was the spark which ignited the war, there is plenty of powder beneath it. At its heart is the future of the entire British defence industry.

Lord Weinstock, GEC's managing director, has long harboured an ambition to merge BAe's defence interests with GEC: an ambition that has grown with the decline in defence spending since the end of the cold war.

As BAe has recovered from the disasters which struck it in the early 1990s, however, it has become less enthusiastic about a merger with GEC.

One executive says: "All the experience suggests that the stronger BAe gets, the less likely it is to deal with GEC."

If BAe had bought VSEL unhindered, it would have strengthened its finances, as well as securing its position as the unchallenged defence prime contractor in the UK. Improved finances would have given BAe the financial headroom to rationalise its civil aircraft division – its one remaining running sore.

Talks are well advanced on a deal which could solve BAe's commercial aircraft problems through merging BAe's turboprop aircraft business with the Franco-Italian group ATR. BAe could still do such a deal if it failed to buy VSEL, but it would be much more of a financial struggle.

The battle for VSEL

Dick Evans

Lord Weinstock

Noel Davies

Concerns about the size of BAe's civil aircraft liabilities have prevented GEC from making a hostile bid for the company. GEC's tactics have been to encourage talks about a friendly merger of the low-risk defence operation, leaving BAe to handle its civil problems.

By counter-attacking against BAe's bid for VSEL, Lord Weinstock hits two objectives at once; if he wins he effectively ties up the Trafalgar order, and leaves BAe weaker and therefore more pliable.

However, the strategy could backfire. The BAe board recognises that there would be some benefits from a link to GEC; there were abortive talks between the two companies on the subject last year. The directors' preferred strategy, however, is to deepen their ties to European aerospace companies, something which would be more difficult if Dassault or Aerospatiale were faced with a monolithic GEC/BAe combination. Unfortunately, political constraints currently make European ties difficult, and BAe has thus been reluctant finally to close the door on GEC.

But GEC's aggressive tactics over VSEL risk alienating some BAe board members who might have supported a merger. "I begin to wonder whether you can do business with Lord Weinstock," says one BAe board member. "Everything seems to be on his terms or not at all."

Lord Weinstock's personality is important in another way. In July GEC announced that the company had asked Lord Weinstock to stay on for two years past the normal director's retirement date, until he is 72. The assumption is that his successor will be chosen before July 1996. That gives Lord Weinstock a very short time in which to realise his ambition of consolidating the UK defence industry. Hence perhaps his insistence on moving on VSEL now: if BAe secures the yard it may put the company out of his reach in the short term.

The VSEL bid is a lower risk strategy than an aggressive bid for all of BAe. "The fear for Lord Weinstock must be that the liabilities at BAe are bigger than he imagines," says one City observer. "If he mounted an aggressive bid which went wrong, the deal which was supposed to be his crowning achievement could end up as the huge blot at the very end of his copybook."

But the £14 a share offer is curiously pitched. It is not the knockout blow of over £15 which BAe could not hope to match, nor is it a nominal bid of £13.50 in line with the BAe offer. "It may be that Lord Weinstock is exercising his usual caution and offering the minimum he thinks necessary to win," muses one defence executive, "but I think this suggests that GEC has not secured all of the competition clearances it needs from the ministry of defence. For that reason he has mounted a reasonable but not decisive attack, from which he could withdraw."

Because GEC's financial position is so much stronger than BAe's, GEC would win in a straight financial fight. BAe thus has to rely on arguments about competition in the defence industry to stop GEC. BAe has no shipyard and thus has little worry on competition grounds, but GEC owns Yarrow on the Clyde, the only other large warship yard left in the UK.

The Office of Fair Trading will debate the competition concerns, though in practice, since the MoD is the only buyer, its submissions to the OFT will decide the issue. If the MoD does not want GEC to own Barrow, the deal will be blocked; if it is happy, the deal will go ahead.

"I detect a slippage in the MoD's robust position on competition" said one executive close to the deals. "Three weeks ago the MoD was very opposed to both yards being owned by GEC, now it is equivocal. There is a danger that competition policy in defence procurement is being made on the hoof here. With the situation in the global defence industry evolving rapidly, that must be a bad thing. We need a proper review of what UK policy is and how the European industry can be rationalised effectively. As of now, none of us knows where we stand."

Competition conundrum

When speculation started over whether there would be a bid battle for VSEL, a senior Ministry of Defence official was asked what his attitude would be to offers from BAe and GEC. "I don't think that we would have any problem with BAa buying the company," he said. "It would be good for competition. It would give us two strong competitors each owning warship yards." When GEC was mentioned, however, he shook his head: "I don't think it's on."

A month is a long time in Ministry of Defence policy planning. In the two weeks since it registered an interest in VSEL, GEC has mounted an effective campaign in Whitehall to make its bid acceptable. Mr Malcolm Rifkind, defence secretary, yesterday made the first move in clearing the way for the GEC bid by saying that the government would not use its "golden share" – its right to prevent any company owning more than 15 per cent of VSEL shares – to block GEC's bid.

The issue will now pass to the Office of Fair Trading. Sir Brian Carsberg, OFT director-general, must decide whether GEC's ownership of the two largest warship yards in the UK, Yarrow on the Clyde and Barrow in Cumbria, would present competition worries. In practice, the ministry will determine the issue since it is the only UK customer and its submission to the OFT will be decisive.

BAe's argument is that if it takes over VSEL, there would be two competitive UK yards able to bid for naval work, each owned by different companies. "There are no competition issues in our bid and we expect it to be cleared," said Mr Dick Evans, BAe's chief executive yesterday. "But GEC's bid raises competition issues and I would expect it to be blocked. It runs counter to the MoD's policy."

GEC's case is that in practice competition difficulties do not arise. Trafalgar submarines, for instance, could only be built at Barrow, so whoever owns that yard will secure the contract even if the MoD invites bids for the work. The only other contracts available are for the last batch of Type-23 frigates, for which the prices are well defined. Only after 2000 would there be a potential problem over the next generation frigate called Horizon; as an Anglo-French joint project, there would be potential competition from French yards.

Whatever the merits of the two views, the VSEL bids highlight areas of uncertainty over MoD competition policy. The UK accepts a single manufacturer of aircraft because costs are prohibitive. But it is far from clear that costs are a problem in warship yards.

"The real issue is, why should we reduce competition before we have to?" said a defence executive yesterday. "If the MoD allows a monopoly in shipbuilding, it has a lot of explaining to do about how this fits its policy of competition."

MAN IN THE NEWS: ***Ryutaro Hashimoto***

Political fighter feels the heat

Mr Ryutaro Hashimoto, the chain-smoking economic brain of the Japanese government, and potential future prime minister, played with fire this week but did not even burn his fingers.

To the surprise of many, he got away with making a tactless remark about Japan's role in the second world war, despite arousing the criticism of China – to which Japan usually kowtows – and both Koreas. Two less senior cabinet ministers were sacked this year for making similar wartime gaffes.

The survival of Mr Hashimoto, minister of international trade and industry and a leading member of the ruling Liberal Democratic party's right wing, reflects Japan's commitment to finding a more distinct voice in Asia, and the outcome of a power struggle within the LDP.

Mr Hashimoto's diplomatic misdeed was to say that it was a matter of "delicate definition" whether Japan committed aggreesion against Asian nations. He could hardly have given a different reply to a mischievously posed opposition party question in a televised debate, supposed to be about tax reform.

Yet the ensuing blast from Japan's neighbours and from senior members of the Social Democratic party, one of the three partners of the ruling coalition, made it look, for a moment, as if this martial arts expert was heading for a quick political death.

That was until Mr Tomiichi Murayama, Japan's Socialist prime minister, gave his support to his right-wing colleague.

It was a notable gesture, given Mr Murayama's profound pacifism and Asian sympathies and the fact that the leaders of the other two parties in the coalition – Mr Yohei Kono of the LDP and Mr Masayoshi Takemura of the New Harbinger Party – do not share Mr Hashimoto's ambivalent feelings about the war. They feel it was a war of aggression, for which clear apologies are in order.

Yesterday, South Korea issued an even more notable statement, to tha effect that it did not plan to make an issue out of Mr Hashimoto's gaffe, and China toned down its criticism.

A relieved Mr Hashimoto duly expressed regret and sadness, and the affair seemed to hava been brought to a close.

There is a simple reason why such a storm blew itself out so quickly. China and South Korea realised it was against their interests to press Japan too hard on Mr Hashimoto and risk destabilising the sensitively balanced coalition.

Mr Murayama knows that his cabinet cannot survive without Mr Hashimoto, the aggressive lead trade negotiator with the US and one of the few cabinet mambers with broad economic policy experience, as a former finance minister. The two earliar arrant ministers were disposable, holding humble environment and justice portfolios.

But Mr Hashimoto's survival also seems indicative of a growth in Japanese confidence about its relations with its Asian neighbours, such that it has been willing to allow the controversy to play itself out.

Aspiring LDP leaders traditionally had to pay public respect to the families of the war dead: an influential, if declining, part of tha electorate. The acceptability of, and need for, this reverance persisted in Japan due to the lack of the kind of universal remorse for the country's wartime past seen in Germany.

Mr Hashimoto, chairman of the bereaved war families' association,

a right-wing LDP group, clearly has his roots in such traditional sympathies. Much to Mr Murayama's discomfort, Mr Hashimoto still leads an annual visit by LDP politicians to Tokyo's Yasukuni shrine, where the war dead are honoured.

He stands for a minority that feels uncomfortable ovar the fulsome apologies for Japan's wartime record offered over the past year by two former prime ministers and by Mr Kono, the dove-ish LDP foreign minister, who happens to be Mr Hashimoto's bitter rival.

Allowing Mr Hashimoto his frankness about the war is only the latest example of Japan exploring the limits of an independent policy in Asia.

Japan has also been standing up to China – as was clear last week when Mr Hashimoto met his Taiwanese counterpart, in defiance of Chinese objections, in the first official ministerial meeting between Japan and Taiwan since Tokyo ceased diplomatic recognition of Taiwan 22 years ago.

Mr Hashimoto is a member of a *pro-Taiwan LDP group dedicated* to retaining ties with Taiwan, a Japanese colony for 50 years until 1945. The influence of this group was also instrumental in the admission of senior Taiwanese to the recent Asian games in Hiroshima – a decision that caused another row between China and Japan.

The other side of Japan's search for its own voice in Asia is its promotion of Asian interests. It is playing a growing part in the Asia Pacific Economic Co-operation forum, and has announced its support for Mr Kim Chul-su, the South Korean trade, industry and energy minister, in the race to head the new World Trade Organisation.

Mr Hashimoto now looks set to play a greater role in such policies. The balance of power in the LDP moved in his favour last month, when Mr Hashimoto's political patron, Mr Noboru Takeshita, the disgraced former prime minister, rejoined the LDP's parliamentary group after a year in the shadows as an independent.

But does Mr Hashimoto have what it takes to get all the way to the top? Mr Kakuei Tanaka, a former LDP prime minister, believes the main qualification for leading a Japanese government is to have few enemies. Here, by all accounts, Mr Hashimoto's renowned arrogance may tell against him.

Aides recall how he exploded with rage at the July Group of Seven summit of leading industrial states in Naples, when the foreign ministry failed to tell his ministry about a letter from US president Bill Clinton.

On the other hand, Mr Hashimoto did take the troubla to give Mr Murayama, a novice at tha G7 and a former political enemy, a private briefing on how to handle Mr Clinton. When Mr Murayama returned the compliment by supporting him this week, Mr Hashimoto must have rejoiced in tha one important enemy he has managed to win over.

William Dawkins

A convergence of cultures

Andrew Fisher and Norma Cohen on Deutsche Bank's merger plans

Deutsche Bank, Germany's leading commercial bank, has decided to sbow the banking world a more aggressive face.

Few people in the financial world have doubted its muscle – it is a triple-A rated bank with assets of more than DM570bn (£232bn). But many have questioned whether the bank was prepared to use its strength to the utmost to carve out more business at home and abroad.

Yesterday, Deutsche Bank served notice that it intended to become a more powerful force in investment banking worldwide by pntting all its business in tbis competitive, fast-growing sector in London. This comes five years after it paid a generous £950m for Morgan Grenfell, the UK merchant bank that forms a key part of this strategy.

At the same time, the bank is acting in its domestic banking market to eliminate regional branch management layers, speed up decision-making and get closer to its German customers.

What the bank is trying to do is maintain the benefits of its universal banking structure – combining the whole range of banking services under one corporate roof – while also moving deeper into the less familiar territory of investment banking, which specialises in the business of raising capital for companies and governments.

If it is to succeed, the bank will have to meld two very different cultures. "How a 175-year-old English institution operates is very different from a how a universal German bank operates," says Mr John Craven, chairman of Morgan Grenfell.

Germany's universal banking tradition is nurtured on long relationships with corporate loan customers and reliable, risk-averse private savers, who put most of their money into fixed-interest deposits.

Investment banking does not come easy to German bankers: German investors prefer bonds to shares, and much of the country's share capital is owned by banks and other companies. Innovations sucb as derivatives, tbough now commonplace, caught on slowly.

Yet if the bank is to become the world financial force that Mr Hilmar Kopper, its chairman, feels is justified by its size and strength, it will have to make the effort.

"The bank has still not really punched its weight on the international scene," says Mr Bryan Crossley, European banking analyst st Hoare Govett, the securities firm. "This is e step towards doing so."

Mr Kopper makes no secret of the fact that one reason for the Morgan Grenfell purchase was to learn from the innovative, freewheeling Anglo-Saxon way of doing business. Germany's consensus-minded approach leads to consistency and quality. But it can be a handicap in rapidly evolving financial markets and new technology-based industries.

Even so, Deutsche Bank is not proceeding with speed. The investment banking businesses of Deutsche and Morgan Grenfell will be integrated "over time" and changes to the organisational structures will be "evolutionary".

Mr Ronaldo Schmitz, the Deutsche Bank board member who will head its new investment banking board, said yesterday: "What we are doing now is to start the process that will lead to the merger of the investment banking activities of Deutsche Bank and Morgan Granfell. There is no new legal entity as yet, but it will happen."

He hoped the merger would also provide valuable feedback to the non-investment banking operations of Deutsche Bank. "We hope it will give Deutsche Bank another culture and belp to speed up the other things we are doing."

The consensus approach to business has not been abandoned entirely. But "Deutsche Bank is continuing to move on and we don't want to lose time", he adds.

So why has it taken five years to start the integration of the two sides' investment banking sctivities? When Deutsche Bank acquired Morgan Grenfell in 1989, it was keen not to submerge the merchant bank's identity and demotivate its employees. A 40-page memorandum of understanding spelt out the operating agreement between them.

With this history in mind, it is understandable that a move to integrate the investment banking operations has taken years to evolve. "We're not putting factories togetber, but people," says Mr Schmitz. "We have to look after the whole thing as gently as handling a raw egg." Even after mulling over the move for five years, the terms of the merger suggest both parties remain ambivalent about integration.

Joint manoeuvres: the integrated investment banking businesses of Deutsche Bank and Morgan Grenfell will be governed by a board including (from left) Ronaldo Schmitz, Rolf Breuer, Michael Dobson and John Craven

The new investment banking operation will not carry the name of both organisations, but there is no agreement on what the name will be. Deutsche Bank has not committed any specific amount of additional capital to the operation, which it will surely need.

Moreover, the expanded equities operations in London will be administered by Deutsche Bank's equities team. However, Mr Craven says it is likely the two firms will operate out of the same premises.

According to Mr Michael Dobson, Morgan Grenfell's chief executive who will run the combined investment banking group, the main goal of integrating the investment banking businesses is to build a UK and international equities business capable of raising capital and selling shares around the world.

Morgan Grenfell has concentrated its UK business on corporate advisory work, helping companies to devise strategies for raising capital and to complete mergers and acquisitions. It also has strengths in emerging markets, especially in trading third world debt. But when it comes to selling shares in the UK and internationally, Morgan Grenfell lacks the research, trading and sales teams necessary for it to become a world-class force, having abandoned these in 1988.

Mr Craven concedes its shortcomings. "There is no significant UK equity distribution and what we have internationally is very fragmented," be says.

Morgan Grenfell's competitors speculate the only way it will build a UK distribution network will be to buy a stockbroking firm. However, Mr Craven says the group has "no concrete plans for filling the gap" in its UK distribution network.

The merged operation will be able to draw on distribution capacity in Germany, Australia, the Far East and to a lesser degree, in the US and on the Continent through subsidiaries of Deutsche Bank and Morgan Grenfell. However, these units have operated independently of each other, hindering Morgan Grenfell's ability to sell large blocks of shares worldwide.

The integrated model tbat Deutsche Bank now says it is prepared to follow bas been adopted by the most successful investment bankers. "Deutsche Bank is finding the Goldman Sachses and the Morgan Stanleys of this world coming into their own backyard," says the head of corporate finance at a rival.

US and UK banks bave perfected the integrated model that blends the underwriting, researcb, sales and trading functions with corporate advisory business.

"Morgan Grenfell's great strength has always been its ability to identify clients who will do a lot of business with it over the years," says one London-based corporate financier. "And they have been very good at executing deals. But this move shows the value that investment banks will have to place on distribution."

The question, some of Morgan Grenfell's competitors say, is whether it has delayed the move to integration too long.

Clive Cookson explains how miniaturisation is boosting computer power

The incredible shrinking chips

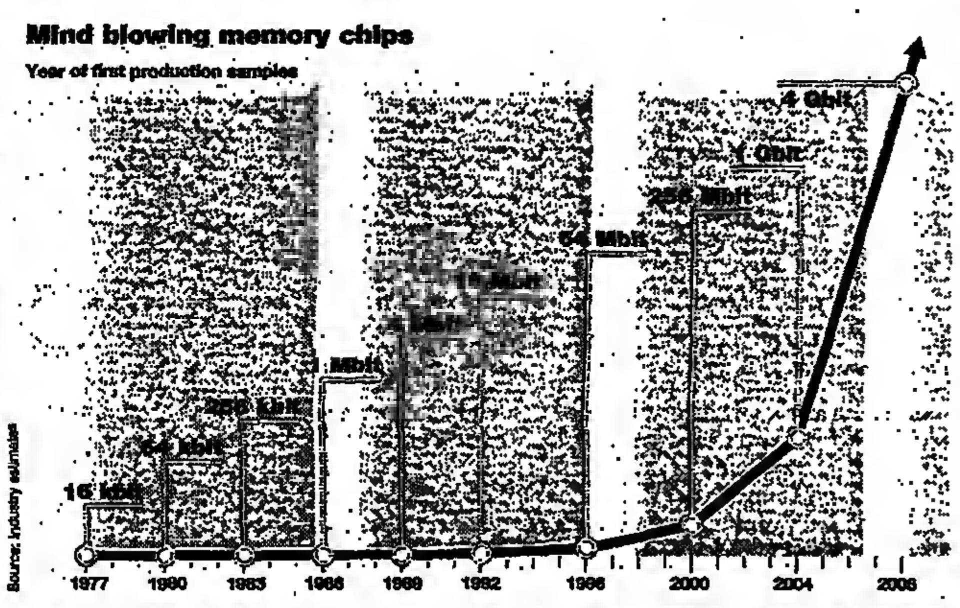
The astonishing pace of electronic miniaturisation, which has made possible the information technology revolution of the past two decades, is set to continue or even to accelerate for the foreseeable future.

Transistors and other electronic components on today's silicon chips are one-thousandth the size of those in the early 1970s, and semiconductor researchers say the technology is being developed to make them thousands of times smaller still early in the next century. Since the capacity and speed of computers increase as their components shrink, the outlook is for dramatic further advances, with cars and domestic appliances acquiring the processing power of supercomputers.

"Many new applications will emerge over the next 25 years which no one has even thought of now," Professor Michael Pepper, director of the Toshiba Cambridge Research Centre, said this week, as ha announced a breakthrough which could keep the miniaturisation process going after current chip technology reaches its fundamental physical limits. "Think of all the changes in computing and communications in the last 25 years, and try to extrapolate those 25 years ahead."

Tha centre, a collaboration between the Japanese electronics company and Cambridge University, has developed a process for making "quantum effect integrated circuits". The components on these chips are so small – no more than 10 atoms across or 100,000 times thinner than a buman hair – that tha electrons in them behave both as particles and waves, in accordance with the somewhat bizarre predictions of quantum theory. They are making positive use of an effect that will eventually limit the miniaturisation of conventional chips, because electrons leak out of their circuits when they become too small.

A quantum chip, the size of a fingernail, could contain 1,000bn memory cells or logic gates, switching at 1,000bn times a second. And it would consume virtually no power – a big advantage for portable applications, compared with today's battery-draining chips.



Most of the world's semiconductor makers are experimenting with quantum devices. Toshiba says its great achievement is to find a way of mass-producing them at reasonable cost on integrated circuits, like conventional chips. The process is based on a technique for laying down single layers of atoms with molecular beams.

Unfortunately, the quantum effects used by Toshiba are so sensitive that the technology works well only when cooled in liquid helium to temperatures close to absolute zero. A formidable technical effort will be required to remove the need for special cooling.

Researchers at NEC's Tsukuba laboratories in Japan are developing a different type of quantum device, the Surface Tunnel Transistor, which makes use of a more robust effect that already operates at room temperature. "We expect to achieve an operational integrated circuit in the laboratory in 1997-98," says Roy Lang, general manager of fundamental research at NEC.

Another Japanese company, Hitachi, has made an experimental "single electron memory" – which actually uses about 100 electrons to store a bit of information – at its Cambridge Laboratory in the UK.

In the US, Texas Instruments, AT&T, IBM and others are making encouraging progress with quantum technology. All concerned are convinced that quantum devices will eventually replace conventional electronics. But there is vigorous scientific debate over which version of the technology will turn out best in the long run, and over the likely timing of the transition.

Lang says: "Quantum devices have to compete very sariously with present-day silicon technology. People predicted in the past that silicon technology would reach its limits much sooner and at much lower performances than is actually happening."

The first memory chips introduced by Intel of the US at the beginning of the 1970s held 1,000 digital bits of information on circuits 6.5 microns (millionths of a metre) wide. The most powerful memory chips on eala today, the 16-megabit D-Rams, have a capacity of 16m bits and a linewidth of 0.5 microns; the 64 Mbit generation, expected in 1996, will go down to 0.35 microns.

The conventional technique of optical lithography, which uses ultraviolet light to write circuitry, will probably continue to work well for the first gigabit (1bn bit) chips in about 2004. But their 0.18 micron linewidth may be the lower limit, says Andrew Norwood, a semiconductor analyst with Dataquest, the electronics industry consultancy. Below that, the wavelength of ultraviolet light will begin to produce unacceptably fuzzy lines.

For the 4 Gbit generation, forecast for 2008, manufacturers are likely to turn to X-rays, which can produce finer lines witb their shorter wavelengths. Earlier this month four leading US electronics groups – IBM, AT&T, Motorola and Loral – announced a collaborative venture with federal funding to develop X-ray lithography for future chips.

Using X-rays and other new lithography techniques, such as electron beams, the semicondnctor industry may be able to pusb silicon chips through several "gigabit" generations during the second decade of the next century.

Indeed Toshiba's Japanese research centre has shown the way this year by designing an experimental silicon transistor just 0.04 microns wide, with special features to prevent the electrons leaking away through quantum effects. The company says this could be used to develop 100 Gbit memory chips.

But at some point conventional silicon will reach its technical limits. Whether new-style quantum devices begin to maka significant inroads into the semiconductor market before then will depend not only on fundamental technological factors but also on manufacturing costs.

One of tha clouds hanging over the industry is the exponential growth in the cost of building new chip fabrication plants or "fabs". As conventional chips have become more complicated, the total price of a fab has risen from $20m in the mid-1970s to at least $1bn. Mitsubishi of Japan estimates that its total investment in developing and manufacturing the 1 Gbit generation of memory chips could reach $15bn – more than for a new aircraft.

According to Intel, the leading microprocessor manufacturer, conventional silicon may reach an economic barrier to miniaturisation whan linewidths fall below 0.18 microns, because X-rays or electron beams may be too expensive for the industry to install, even on a collaborative basis.

At that point quantum chips will be cheaper to manufacture, their advocates say. Prof Pepper concedes that the Toshiba process is technically complex, with several stages, but he insists that it "is highly manufacturable".

Another possibility is that entirely new production techniques – for example, using "scanning probe microscopes" to manipulate individual atoms – will be developed to make atomic-scale quantum devices at reasonable cost.

The best guestimate is that quantum chips will reach the market for specialised applications in about 10 years. They might become the main agents of the information technology revolution around 2015.

Fuel for thought

David Goodhart hears how pay and conditions are changing in UK coalmines

The four miners mnnching their sandwiches 900 metres down Clipstone colliery in Nottinghamsbire seemed oblivions to tbelr frontlina role in Britain's coal revolution.

Until April 1993, they were working in one of Europe's deepest coalmines for British Coal, the state-owned corporation. Since January, they have been sweating in the same dark tunnels for RJB Mining – the mining company tbat is the government's preferred candidate to take over most of the rest of British Coal's deep mines in England.

RJB has bid £900m for the pits, at least 50 per cent more than the next highest bidder. The gap has raised questions about RJB's assessment of the coal market and the company's ability to cut operating costs.

Many analysts assume that, if RJB can make a profit from the coal where British Coal failed, it will be because of the greater prodnctivity it squeezes from miners.

At Clipstone, RJB has managed to donble outpnt per man-shift, according to Chris Daniels, colliery manager, throngb a combination of manpower savings and greater use of mnlti-skilling underground.

Bnt the men at the coalface, sucb as Martin Mulligan – who spent six months on the dole between British Coal closing the pit and RJB reopening it – have noticed little difference. "We've got exactly the same team here, doing exactly what we were doing in the old days, and we get paid almost the same too," he says.

Tbe differences between what happens now and what bappened in tbe old days become evident further from the coal face. Daniels says there have been big job cuts on the surface. "There is now one man looking after tbe baths, the lamp room, tbe methane pump house and the boiler room, where we used to have five," he says. There are now six people in management grades, where there used to be 35.

With the zeal of the convert, he also insists that the RJB style of management is making a big difference. "British Coal was a very hierarchical and slow-moving organisation with detailed custom and practice built up over 50 years. By comparison RJB is incredibly open and flexible," he says.

Budge: not keen on bonuses

The emphasis on the team means there is no place for union collective bargaining at Clipstone or et the other mines RJB will take over. Bnt both Daniels and his boss, Richard Budge, insist that unions are still recognised for everything short of pay bargaining.

On pay, Bndge says be wants to keep the existing British Coal rates in most areas, but he is not keen on tbe expensive incentive bonuses many miners receive.

At Clipstone, pay is not an issue. It is a small pit with only one face open and 250 men producing about 500,000 tonnes a year – compared with 700 prodncing about 1m tonnes under British Coal.

Sid Walker, the local official of the Union of Democratic Mineworkers who helped to recruit most of the employees, says there has been no deterioration in safety standards or in pay. He adds that he has not had to deal with no any grievance problems.

Nine bundred metres undergronnd Tony McPhee, a mechanic, says that absenteeism has declined and the spirit is good. Bnt the government gets no thanks from men like him for handling over tbe industry to RJB.

"We've now got tbe opportunity to sbow the government that tbey made a big mistake in writing off our industry. If RJB can do it then good for them. I'm a socialist and I've got no qualms abont working for [Richard Budge]," he says.

This is mnsic to Bndge's ears. Bnt Clipstone and the other two pits he currently operates nnder licence are very different from the 15 deep mines that RJB is negotiating to buy from the government.

Many or all of these are mnch larger: at Daw Mill and Welbeck in the Midlands, for example, the combined weekly output is 20 times Clipstone's. Pay packets are also bigger, thanks in part to the incentive scheme, which lifts some miners' wages to £1,000 a week.

Another difference is that most of the men at Clipstone wera hand-picked to start work for a new company. They had been made redundant by British Coal and, with payments of £30,000-plus in the bank, were less worried about small changes to their pay arrangements.

At the 15 mines now under discussion, RJB will have to take over the existing workforce under the rules of tbe European Union's Acqnired Rights Directive – known as Tupe in Britain. This means that British Coal's terms and conditions, including pension rights, have to be taken over by RJB, unless it can persuade miners to sign new contracts.

It also means that, if RJB wants to make redundancies among managers or surface workers, it will have to pay the current British Coal rate of np to £27,000.

Without the co-operation of miners at these pits, the scope to cut operating costs could be restricted. And with RJB hoping to get rid of incentive bonuses, that co-operation may be hard to win.

Mr Neal Greatrex, leader of the UDM, says: "Budge thinks that be has got all the aces up his sleeve, bnt he hasn't. We both want to save as much of the industry as possible. Bnt I don't want it to be at the expense of our wages."

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

Issue is aromatics rather than lead in petrol

From Mr Michael Pettman.

Sir, As a professional chemical engineer, but with no interest in the refinery industry, perhaps I could pnt another side to the "green fuels" story ("MPs spark row over risk from 'green' fuel", October 26).

The presence of the carcinogen benzene in petrol has no relevence to whether the petrol is leaded or unleaded. Benzene and other aromatics are added to petrol by the refiners to increase the octane value and recent surveys show that there is very little difference in benzene levels between leaded and unleaded petrol in the UK and Europe. Benzene levels are permitted to Europe up to 5 per cent (by volume), but in reformulated gasoline in the US the limit is 1 per cent. There is no technical reason why European refiners could not meet this level, by adding processes like isomerisation, alkylation or adding oxygenates such as MTBE or TAME to petrol.

It would seem a pity to confuse the issue over unleaded petrol, which has obvious environmental advantages, when what is required is a standard for Europe to reduce benzene to the US level or lower.

Michael Pettman,
3 Tower Place, East Wittering, Chichester, W Sussex PO20 8QT

Dogs and the digestives test

From Mr Alex Morris.

Sir, With reference to David Blackwell's article "Making a meal of a dog's dinner" (October 26), I discovered last Saturday why the pet food market is so lucrative.

Reason: pound for pound at my local Tesco superstore the cheapest brand of dog biscuit is more expensive than digestives.

In tests my dog showed a clear preference for digestives – he found them easier to dunk.

Alex Morris,
New Road,
Wonersh,
Surrey GU5 0SE

Hindsight not best basis for pensions compensation

From Mr J L Roberts.

Sir, In considering the question of compensation for "wrong" advice in personal pension purchases, the Securities and Investments Board surely has a duty to those insurance policyholders who largely will foot the bill for compensation ("The high cost of bad advice", October 25).

"Best advice" is given at a particular moment in time and requires a careful assessment of present circumstances and future prospects. It cannot, however, require prescience. If, years later, it appears that the outcome is poorer than if an alternative course had been taken, this in itself is far short of sufficient basis for concluding that the advice was not "best advice" at the time given.

In the late 1980s:

● 1) Some company schemes were (and still are) badly run, with high costs and poor investment performance.

● 2) Most schemes had no guarantees of pension increments.

● 3) Many schemes had disadvantageous early retirement conditions.

● 4) Defined benefit schemes were dependent upon increasing employer contributions, which in turn were dependent upon continuing profitability.

● 5) Unit trusts, unitised pension funds and the underlying equities, despite October 1987, had shown consistent long-term growth patterns.

● 6) Personal pensions offered control, visibility and direct investment into a booming UK economy.

All this made the background to forming a view of "best advice" different from the one now being used with the benefit of both hindsight and subsequent legislation improving company schemes' benefits and accountability.

For compensation to be due, it should be necessary to demonstrate conclusively that the original advice cannot have been "best advice" in *all* the circumstances extant at the time it was given.

I trust that the investigations will not sanction compensation deemed to be due by simplistic performance comparisons made with the benefit of hindsight.

J L Roberts,
John A Roberts & Co,
chartered accountants,
42 Sheffield Road,
Chesterfield,
Derbyshire S41 7LL

No respect

From Ms Lena Jabbour.

Sir, I was disappointed and shocked to see the FT front page picture depicting the scene of the tragic bomb attack in Tel Aviv which left 22 people dead ("Israel firm on peace despite blast", October 20). Is this necessary? The picture showing a body and severed limbs reveals a total lack of respect for the victims of such a horrific attack. To see this image must undoubtedly have a devastating effect on the relatives of those who died.

Do you not agree that a more subtle image could have been used? A photograph should be used to support or clarify the text. In this case, it could add very little to the description of the attack given in the article, which was sufficient for FT readers to imagine the horrors of the scene for themselves.

Lena Jabbour,
9 Avenue des Celtes,
1040 Brussels, Belgium

Locking not a good step

From Mr James Pickthorn.

Sir, Christopher Jackson's assertion (Letters, October 26) thet "Given adequate convergence, the idea of irrevocable locking of member currencies at an earlier stage than domestic use of the Ecu seems increasingly attractive" is wrong headed, for the following reasons:

● The divergence of member countries' inflation rates, tax rates, and national debt is far too great for convergence to be realistic. Even if the member nations manage their affairs sufficiently well that the (Eu)topia comes about, then convergence will be natural and formalities unnecessary.

● "Irrevocable locking" is tantamount to the single currency. It would remove the present ability of different areas to devalue or revalue the currencies continually and automatically, thereby adjusting factors of production and maintaining the balance of trade. The result of locking will be additional depressed areas and endemic unemployment, particularly in the areas where such conditions already exist. The Maastricht treaty already allows for this by creating "cohesion funds and structural funds" for the rich areas to patronise the poor areas.

Your interview with Alexandre Lamfalussy, president of the European Monetary Institute ("Single currency should be delayed, says EU bank chief", October 24) is a timely reminder that the threat of the single currency is ever present, even after the ERM debacle.

James Pickthorn,
24 Lime Street,
London EC3M 7HR

Simple environmental solution

From Mr Peter Stephens.

Sir, It seems timely to promote once again my solution to unemployment and to the environmental problems which are caused by road traffic.

Bring back the sedan chair.

Peter Stephens,
62 Cranmer Court,
London SW3

COMPANY NEWS: UK

US investor set to publish Heron offer

By Christopher Price

The takeover of Heron International, the indebted property group headed by Mr Gerald Ronson, will move a step closer early next week when the full offer document from HNV Acquisition, the US investment group, is published.

HNV, led by Mr Steven Green, the US investor, made a formal offer five weeks ago. Since then it has been involved in complex negotiations with Heron's 82 creditor bankers, owed more than £1bn.

The US group, which emerged as the Heron board's preferred bidder last June, has offered cash and share alternatives to debt and bond holders in its attempt to restructure and recapitalise the group.

However, bondholders now have to approve the offer. Last May, 62 per cent of them voted against accepting any further delay in payments due from Heron, which scuppered a £1.4bn refinancing deal by the banks and precipitated the move to sell the company.

Yesterday, one rebel bondholder said: "Presumably nothing has changed with the HNV offer – the pricing is such that it gives bondholders no real attraction in taking the cash or the equity. We hope apathy will rule and the offer falls." Another bondholder voiced his concern: "We would prefer some sort of debt instrument as an alternative," he said.

But Mr Basil Vasilou, chairman of Vasilou & Company, which speaks for a large number of non-bank bondholders, yesterday voiced his support. "People would be crazy to reject this deal. It offers you whatever you want, be it equity, cash, or a combination. No other offer would be able to match these terms."

The original offer involved £450 cash or 300 HNV shares for every £1,000 of senior debt, £60 or 40 shares for every £1,000 of junior debt, and 750p or five new shares per old Heron share. Sources close to Heron said the full offer document contained few changes to the initial offer. This includes the retention of Mr Ronson and his management team, a move which has caused consternation among some of the group's creditors.

The HNV plan would transform Heron's balance sheet, turning a negative net worth of £172m as at March 31 into net assets of about £200m. HNV, which would control at least 51 per cent of Heron shares, also intends to subscribe to a £17m convertible debt issue, which it can increase to £30m, to provide extra working capital.

Other members of the HNV consortium include Mr Rupert Murdoch, the media magnate, Mr Craig McCaw, founder of McCaw Communications, the US telecoms giant, and relatives of Mr Michael Milken, the former junk bond dealer.

Mr Green has said he intends to turn Heron into a force in the European property market.

Trading buoyant says Rank

By Michael Skapinker, Leisure Industries Correspondent

The Rank Organisation said yesterday there had been a healthy rise in UK and US leisure spending, resulting in strong increases in the group's turnover and operating profit.

However, the shares fell 10½p to 399p. Analysts said there had been an expectation that Rank's trading update would be even more positive.

Mr Peter Hilliar, an analyst at Barclays de Zoete Wedd, said he had increased his forecast of Rank's pre-tax profit before exceptional items from £338m to £354m. Pre-tax profits in the year to October 31 1993 were £277m.

The group also said it was changing its year end in 1995 from October 31 to December 31. The directors said the change would bring the group into line with most other FT-SE 100 companies.

Rank said that turnover in continuing operations rose 10 per cent in the period to end-September, with operating profit up 15 per cent. The film and television businesses were performing particularly well.

The contribution from Rank Xerox was up by more than a third at the end of July before restructuring costs. Rank's £62m share of restructuring costs was charged against first half profit and Rank said the benefits had begun to be realised in the second half.

Volumes from the video duplication business were up by almost 50 per cent, while film laboratory volumes were up 12 per cent on last year. Odeon cinema admissions rose 4 per cent.

The holiday business showed a small increase, with sales up 3 per cent on last year. Bingo customers' spending was up 6 per cent, but admissions had fallen by a similar amount.

The performance of casinos had improved, however, with attendances up 3 per cent and spending per head up 7 per cent. Profit at amusement centres was down.

Turnover at the Hard Rock cafes grew 7 per cent in the second half. Spending per head at UK nightclubs was up 5 per cent and margins rose 3 percentage points. Resorts in the US, however, had a difficult year.

Chrysalis in Dutch TV deal

By David Blackwell

Chrysalis, the media and music group which has been building up its visual entertainment division, is to buy 49 per cent of a Dutch television production company.

The deal, agreed in the early hours of yesterday morning, marks Chrysalis' first venture outside the UK.

The target is IDTV Holdings, an Amsterdam-based company that has the rights to several popular European game shows, including Lingo and Boggle.

Chrysalis will pay an initial cash consideration of £3.79m, followed by instalments of up to £1.74m a year for the next four years, depending on IDTV's profits.

Further payments could be made under a share option scheme designed as an incentive for the TV company's management.

IDTV made profits of Fl 4.2m (£1.5m) pre-tax in 1993 on sales of Fl 35.2m.

Put and call options exercisable from 1999 could lead to Chrysalis acquiring the rest of the shares at a price based on IDTV's profits. The maximum total consideration for the entire share capital is capped at about £18m.

Mr Chris Wright, Chrysalis chairman, said yesterday that serious negotiations had started last April after the merger of two other independent Dutch TV producers into a group called Endemol. Since then Endemol had decided to start its own TV station, which would soak up most of its own production.

"It's a very good deal," he said yesterday. "The way things have worked out it's even better than what we anticipated when we started."

Mr Harry de Winter, the principal owner of IDTV, is selling because he felt vulnerable after the Endemol merger, and he saw a link with Chrysalis as a good strategic alliance.

The Dutch television market is similar to that in the UK. It also provides a springboard into Scandinavia. However, Mr Wright said Chrysalis had no further plans to buy into European television companies.

Reuters lifts sales 25% in quarter

By Andrew Bolger

Shares in Reuters Holdings rose by 30p to 477p after the financial information and news group said its third quarter revenues rose 26 per cent to £590m.

For the first nine months, sales grew by 23 per cent to £1.88bn, with no material impact from exchange rate movements. Reuters, which started giving quarterly statements this year, does not give profit figures.

Mr Peter Job, chief executive, said: "Revenue continued to forge ahead reflecting good business conditions as well as recent acquisitions. New order rates for information products, though below the recent peaks we have seen, were brisk.

"Electronic transaction products for the financial markets continued to be the fastest growing part of the business."

Acquisitions added £42m to revenue in the third quarter and £97m in the nine months. Excluding acquisitions made since the beginning of 1993, revenue growth was 17 per cent for the quarter and 16 per cent for the nine months.

Sales growth by Instinet, the US-based equity brokerage service, and Thamesway – the institutional broker acquired last November – contributed to a 37 per cent rise to £138m in the quarter's overall transaction product revenue.

Information management systems for dealing rooms increased sales 87 per cent in the quarter, and over the nine months this product line's sales more than doubled to £82m. This contributed to a rise of 20 per cent, to £1.19bn, in information products' revenue so far this year.

Barr chairman urges nephews to halt revolt

By Richard Wolffe

Mr Malcolm Barr, chairman of Barr & Wallace Arnold Trust, yesterday urged his nephews, Nicholas and Robert Barr, to halt their shareholders' revolt.

In a letter to his nephews, who claim majority support among voting shareholders of the motor distribution and leisure group, Mr Barr described their position as "incomprehensible".

The letter came after a private meeting, brokered by an independent member of the Barr family, had failed to end the family feud. Nicholas and Robert Barr have pledged to replace their uncle as chairman and have called an EGM to unseat Mr John Parker, chief executive, and Mr Brian Small, finance director.

They have also declared their opposition to the board's plans to enfranchise the non-voting A shares, owned almost entirely by institutions.

Mr Barr warned his nephews of institutional opposition to their plans, which he claimed would expose the company to large compensation payments.

"Your actions have diverted management time away from the business; you have caused disruption to the normal affairs of the company; and you have caused or are in the course of causing considerable and unnecessary costs, as well as exposing the company to very heavy potential liabilities," he said.

The board delayed publication of a document concerning its own EGM on enfranchisement, which ironically is one of the rebels' principal policies.

However, the Barr brothers, who command enough support to block the board's proposals, argue that enfranchisement should only proceed under new management.

In response to their uncle's letter, they said: "We had hoped that in the last 24 hours we had, on a private and confidential basis, moved forward."

Campari shares tumble pending further revamp

Shares of Campari International tumbled 11p to 24p after increased first-half losses were accompanied by further rationalisation and reorganisation of its troubled leisure and sportswear activities.

Directors said the costs of the moves, involving substantial cost-cutting and centralisation of its Dutch support operations, would amount to £3.7m, to be taken in the second half.

Discussions had been held with its principal bankers and "both the level and continuance of their support will depend on the degree of success achieved in meeting trading and cash management targets in the short-term."

Difficult trading conditions and a "disappointing" product offer led to lower sales across the group's markets – turnover in the six months to June 30 dropped 13 per cent to £17.5m. A cautious outlook by retailers left forward sales below budget and margins suffered as the group attempted to clear stock.

After increased interest charges of £330,000 (£95,000), the pre-tax deficit widened to £3.96m, against £3.09m. Losses per share were 38.8p (29p).

Attwoods details trends in businesses

By Peggy Hollinger

Attwoods, the waste services company, yesterday laid another brick in the wall of its defence against the hostile £364m bid from Browning Ferris Industries of the US with a circular detailing trends in each of its five businesses.

The circular precedes a third defence document, which is expected to include a valuation of the business and results for the first quarter. This is likely to be published on November 11, the last day Attwoods may release new financial information under takeover rules.

Attwoods said yesterday the circular, which included few hard numbers for 1995, was intended to be a discussion document for investors. Profits forecasts would be difficult, given the recent end of the company's financial year.

"It is another brick and it is not a huge brick by any means," said one adviser. "But there is a lot more to come."

Attwoods said this document set out "the specific factors underlying our confidence in the future".

These included: price increases and population growth in Florida, where Attwoods' claims 32 per cent of the market. Cost-cutting, which would more than offset the pressure on municipal contract renewals in that state. Resolution of legal problems in the mid-Atlantic states and economic recovery; plus a return to profitability in the medical incineration business and restructuring in the German business.

BFI responded with derision. "We wonder why they even bothered to release this document," the company said. "They have provided little, if any, substance as to why shareholders should feel confident in the future. The arguments advanced for looking forward to a brighter 1995 just are not there."

BFI is offering shareholders 109p cash for Attwoods ordinary shares and 85p per preference share. At current exchange rates this represents about $9.20 per American Depositary Receipt, equivalent to five ordinary shares.

Laidlaw of Canada, Attwoods largest shareholder, has accepted the offer. Fidelity Investments, which holds almost 12 per cent of Attwoods and has been selling recently, this week disclosed that it had purchased 46,100 ADRS.

BFI has said that it will pay the declared final net dividend of 3.25p, if successful.

Attwoods shares closed steady at 113p.

Investors face a credibility gap

Michael Smith on why the energy industry is puzzled by RJB's bid

Two weeks after the government announced its preferred candidate to take over British Coal's English mining assets, the coal and electricity sectors remain perplexed.

Industry executives are struggling to work out why RJB Mining is prepared to pay so much more than anyone else for the pits and opencast sites and why the government believes its plan is feasible.

"I just cannot understand it," said one electricity executive. "We think that RJB is assuming far too much both for the future market and for the prices it can get. Are we missing a trick?"

RJB and Barclays de Zoete Wedd, the investment bank advising it, remain unperturbed, saying they have a high level of confidence that they can raise the funds needed for the bid and for working capital, together thought to total £1.08bn.

However, they are not revealing any details of the £900m deal, which is due to be concluded on December 24.

In the absence of any guidance from them, speculation is rife. One theory among British Coal executives who may soon be RJB employees is that RJB will haggle down the price in the "due diligence" process in which it is now engaged.

"RJB has the government over a barrel," says one. "The government will lose so much face if it declares a deal with RJB is not possible after all."

Other merchant banks are less sure. "The government would not accept that kind of haggling," says one banker. "BZW would lose considerable face with the government." His argument is that the due diligence exercise could trim tens of millions of pounds from the price, but is unlikely to get it down to the £800m which was the next highest bid.

If the eventual price remains about £900m, how can the bid be funded and the resulting debt paid off? RJB is thought to want to raise about 40 per cent of the £1.08bn through issuing shares and the rest, about £600m, through debt.

Most of the failed bidders for the English regions, as well as Scotland and south Wales, have either been told, or have assumed, that any debt incurred through a successful bid would have to be paid off by the end of existing contracts with the electricity generators in 1998.

It is thought that BZW's business plan for RJB assumes the debt will be paid off by 1998, although the banking facilities lined up for it do not require this.

The £600m of debt would be likely to attract interest rates of at least 8 per cent. The amount of income left to RJB to pay off the debt and cover the interest bills depends on production costs.

In the English regions, coal is currently being produced at an average of about £1.20 a gigajoule, against an average selling price in the contracts of about £1.40.

That implies a profit of 20p a gigajoule which equates to £4.80 a tonne. As the English regions have contracts to sell 29m tonnes of coal a year to the generators the difference between the selling price and production cost would be about £140m a year, or £455m until April 1998 at current cost levels.

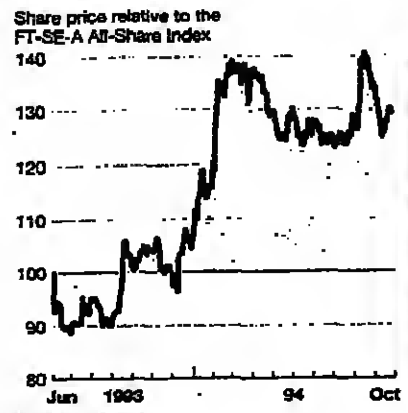
There will also be more limited income from selling household coal, where margins are high, as much as 50p per gigajoule, but volumes small, at 2.5m tonnes and falling. British Coal struggles to make money on industrial coal sales of about 5m tonnes in the English region, but RJB could make profits if costs are reduced. It would also hope to make sales to to other UK regions.

With only limited scope for sales growth, the key to greater profits is clearly cost reduction in the mines. If RJB can get costs down to £1 a gigajoule, as rival bidders acknowledge is possible, annual selling price/production margins from electricity contracts would double to £280m a year. However, reaching £1 would take time.

In addition, producing coal in the private sector also results in financial penalties. Dividends will need to be paid on the £400m or so that RJB raises in equity and the company will also have to pay for insurance at market rates, something British Coal has been able to avoid. Nor will it enjoy the pensions holiday that British Coal has benefited from in recent years.

RJB Mining

Share price relative to the FT-SE-A All-Share Index



Source: FT Graphite

Richard Budge
Chief executive

Making an assessment of the effect of all these factors is difficult prior to RJB announcing its plans, probably next month. RJB is thought to dispute strongly contentions by Mr John Reynolds, an analyst at James Capel – broker to rival bidder Coal Investments – that RJB could still be £200m in debt by the end of 1998.

If, however, Mr Reynolds' predictions were realised, RJB's ability to pay off the debt would depend on the English market after 1998.

Most bidders assume that the two main generators will buy 20m-25m tonnes of coal a year from the purchaser of British Coal's three English regions at £1.10 a gigajoule after 1998. They believe RJB is expecting about 30m tonnes at perhaps £1.25. A large majority of both generator and coal industry executives believe the lower figures are the more likely.

The credibility gap is narrowed considerably by the endorsement of RJB's plans by both BZW and NM Rothschild, the merchant bank which has advised the government. In choosing the preferred bidders, the government said it was guided by considerations about preserving the largest economically viable coal industry as well as tender prices.

Nonetheless, RJB and BZW have a challenging task ahead to convince lenders and investors that the doubters have got it wrong.

Institutions give tentative support

By Peggy Hollinger

Institutions, unlike many in the coal industry, are prepared to give Mr Richard Budge the benefit of the doubt, albeit anonymously.

"We do not believe Richard Budge is a megalomaniac who is going to ruin his company: that, just to get his hands on the coal industry, he is prepared to pay through the nose for it," said one large shareholder.

The doubts surrounding RJB Mining's bid for the three English coal regions have left its investors largely unmoved. For them, the issue of whether Mr Budge is paying too much will be decided when the prospectus is published next month.

RJB did the rounds of institutions several weeks ago and appears to have received fairly strong indications of financial support for its plans.

"We had to give a ball park figure," said one investor. Another confirmed that RJB and its advisers asked "for broad indications about what our level of interest would be".

However, undertakings were conditionally given when no one, not even Mr Budge, knew precisely what the company would be offering for the coal regions – or how many it might win. Initially, RJB is believed to have presented tentative plans to bid £1.3bn for all five coal regions.

Thus, the institutions added heavy caveats to their support. "It would obviously be subject to price," said one.

Yet backing will also be subject to Mr Budge's numbers adding up. Institutions will look for reassurance that RJB will be able to pay off the debt it incurs, that assumptions on the price for and volumes of coal it can sell are realistic, and that it has the right structure and management to take on such rapid expansion.

"We are not going to say yea or nay until we have seen the detailed workout," said one.

At the moment, shareholders remain confident they will be able to support RJB. "You have institutions pleased with the progress of the company, impressed with the work they have done, and which would favourably view the opportunity to get involved on a greater scale, subject to the numbers making sense," one party observed.

A more pragmatic view sees RJB's potential in a slightly different light: "There are only two ways of making any real money – one is breaking a union and the other is buying something off the government. Budge is doing both and there is the prospect of making an awful lot of money out of it."

NEWS DIGEST

Cornwell Parker warning

Shares of Cornwell Parker, the Buckinghamshire-based furniture group best known for its Parker Knoll range, dipped 5p to 124p yesterday following a downbeat statement to the annual meeting by Mr Martin Jourdan, chairman.

"Trading conditions, particularly in our sector of the furniture market, remain very difficult." He warned that the trading outcome for the first half was likely to be "well below" that of the previous year, although he expected some improvement in the second six months.

"We are continuing to review every aspect of our business in order to reduce operating costs in the medium term," Mr Jourdan said.

The likely trading pattern mirrors that of 1993-94 when pre-tax profits were £3.15m (£4.61m), a decline ameliorated by a partial recovery in the second half.

Reece

Reece, which makes equipment for the ceramic and glassware industries, distributes cycles and industrial fasteners and also makes door panels, is raising £1.4m in a placing and open offer of 43.3m shares at 3½p.

BZW is placing the shares with institutional investors; the open offer to shareholders is on a 3-for-8 basis.

The proceeds would be used to reduce bank borrowings, directors said.

Reece also announced reduced pre-tax losses of £5,000 (£11,000) for the six months to June 30. Turnover improved to £6.53m (£6.14m) generating operating profits of £92,000 (£90,000).

It is also proposed that each existing 5p share will be subdivided into one 1p share and one 4p deferred share which will have nominal rights and be effectively valueless.

Fleming Inc & Cap

Fleming Income & Capital Investment Trust had a net asset value of 79.6p per income share as at September 30, down from 85.9p a year earlier.

Available revenue for the six month period amounted to £2.32m (£2.53m) for earnings of 2.51p (2.74p) per share. A second interim dividend of 1p was declared in September.

Benchmark

Benchmark Group, the property and portfolio investment company, continued its recovery during the 12 months to June 30 with pre-tax profits of £2.69m.

The outcome, struck after interest charges reduced from £1.28m to £760,000, compared with a modest profit of £77,000 last time and a deficit of £12.2m for 1991-92.

The property division returned operating profits of £818,000 (losses of £15,000) on turnover of £998,000 (£3.16m). Portfolio investment saw turnover fall to £9.42m (£13.1m) for profits of £2.69m (£2.86m).

Earnings per share were 17.14p (0.48p adjusted).

Ramco Energy

Ramco Energy, which supplies corrosion control and ancillary services to the petroleum and marine industries, reported pre-tax profits down from £297,000 to £81,000 for the six months to June 30.

The outcome was struck on reduced turnover of £2.4m (£2.57m) and included a £117,000 loss (£143,000 profit) from an associated undertaking. Earnings came out at 0.33p (1.27p) per share.

Mr Stephen Remp, chairman and chief executive, said the highlight of the year to date had been the signing in September of a contract for the development of oil fields in the Caspian Sea.

The contract, between the State Oil Company of Azerbaijan and a consortium of 10 companies of which Ramco is a member, would, he said, unlock further opportunities in the former Soviet Union.

Hewitt

A provision for the reorganisation of its German operations and increased interest payments resulted in a pre-tax loss of £2.34m at Hewitt Group in the half-year to June 30.

Continuing German losses prompted a review which resulted in a write-down of assets and other costs amounting to £2.02m. In addition, Hewitt's share of profits at Sphinx Technical came to £111,000 but after providing for Hewitt's £444,000 share of restructuring costs, a loss of £333,000 resulted.

The manufacturer of industrial ceramics and refractories paid increased interest of £196,000 (£34,000).

There is no interim dividend (1.5p) and the final will be considered in relation to the annual results. The share price yesterday fell 5p to 125p.

Sales in the first half rose to £8.16m (£4.36m) and there was an operating profit of £168,000 (£273,000). Losses per share were 71.4p (6.4p earnings).

Dares Estates

Dares Estates, the property investment and development group, reported pre-tax losses of £133,000 on turnover of £2.62m for the half year to June 30.

The comparable period saw a profit of £465,000 on turnover of £3.4m, although that included a profit of £2.27m on the termination of operations, against £693,000 this time.

Interest charges were cut from £4m to £2.9m, of which £191,000 was satisfied by the issue of preference shares.

Losses per share came out at 0.38p (1.38p earnings).

Craig & Rose

Craig & Rose, the Edinburgh-based paint and varnish maker, reduced pre-tax losses from £135,000 to £115,000 for the six months to June 30 on lower turnover of £2.37m, against £2.64m.

Mr John Wightman, chairman, said that in addition to the decline in sales which was in line with the industry generally, the directors had also decided to withdraw from certain specific markets which were unprofitable.

Losses per stock unit worked through at 29.25p (32.25p).

Laser-Scan

Laser-Scan Holdings, the USM-quoted computer group, suffered a pre-tax loss of £730,000 in the six months to June 30 on reduced sales and after capitalising the £304,000 product development costs of its Gothic technology. Profits were £45,000 last time.

Delays in order placement in uncertain economic conditions resulted in a 48 per cent fall in sales to £3.02m (£5.78m).

Continuing activities carried an operating loss of £350,000 (£42,000 profit) and discontinued activities lost £380,000 (£21,000 loss). Losses per share were 4p (0.3p earnings).

Europe Energy

Europe Energy Group, which is transforming itself from a mining group, has announced plans to acquire Helston Garages, a multi-franchise motor dealership based in the south-west of England.

Its shares, which trade on the USM, were suspended at 5½p yesterday, pending a further announcement. The terms of the deal have been agreed in principle and contracts are expected to be signed in the next few weeks.

The consideration of about £10m will be financed via a share issue, which will double the size of its capital.

Overseas Inv Trust

Overseas Investment Trust, managed by Morgan Grenfell to seek longer term capital growth, reported a net asset value as at September 30 of 417.5p per share, a gain of 23 per cent over the year.

Net revenue dipped to £1.37m (£1.54m) reflecting higher administrative expenses and a changed investment mix. Earnings per share were 3.59p, down from 4.04p, but the proposed final dividend is raised to 2.45p lifting the total to 3.3p, an increase of 4.8 per cent.

Bula Resources

Bula Resources, the Dublin-based oil exploration and production company, is raising a minimum I£6m (£5.9m) through a placing and open offer to fund the purchase of an option to acquire 51 per cent of Aki-Otyr from the Russian Corporation.

Davy Corporate Finance is placing, mainly with institutional investors, 80m new ordinary shares at 2¼p to raise I£2m. The offer to shareholders, of 500m new ordinary shares, is on a 2-for-3 basis.

MG Equity Income

Morgan Grenfell Equity Income Trust is raising its final dividend to 2.8p, bringing the total for the 12 months to September 30 to 4.8p – a rise of 6.7 per cent over the previous total of 4.5p.

The distribution is payable from undiluted earnings of 4.67p (5.13p) achieved on available revenue of £1.6m (£1.25m).

Net asset value was unchanged at 139.7p per share.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corres - ponding dividend	Total for year	Total last year
Hewitt	int	nil	-	1.5	-	3.25
MG Equity Income	fin	2.8	Dec 30	2.5	4.8	4.5
OMI Intl	int	0.75	Dec 1	0.75	-	1.75

COMPANIES AND FINANCE

Hiscox shelves listing plans after £27m issue

By Ralph Atkins
Insurance Correspondent

Hiscox Dedicated, one of the pioneer corporate investors in Lloyd's of London, yesterday shelved plans to seek a UK Stock Exchange listing after raising £26.6m via a fully underwritten share issue.

But Mr Robert Hiscox, a director and a daputy chairman of the insurance market, said the company remained intent on evolving into a fully-fledged quoted insurance company operating under Lloyd's umbrella.

It intended to acquire 25 per cent of the Hiscox managing agency business, which runs some of the London insurance market's most profitable syndicates, with the object of buying the balance when Lloyd's rules were changed.

Moreover, the company said it intended to be quoted on "a recognised stock exchange" within five years. "It will be a much better company to list when it is merged with the management of the syndicates," Mr Hiscox said.

Hiscox Dedicated is one of 25 companies which this year have invested £900m in the Lloyd's insurance markat. Unlike many of the others, it invested in only a narrow range of insurance syndicates and had been expected to seek a listing this autumn as part of a fund-raising exercise.

But yesterday the company announced that Trident, a Bermuda-based company investing in insurance and reinsurance, had fully underwritten a £17.7m open offer to existing Hiscox Dedicated shareholders and warrantholders. Trident will also subscribe £8.9m through a placing of Hiscox Dedicated shares.

The new shares are being issued at 110p a share, balf payable on issue and the balance when called.

Trident was formed a year ago by Marsh & McLennan, the world's largest insurance broker, JPMorgan, Mid Ocean, a Bermuda reinsurance company, and Byrne & Sons, a small investment bank.

Depending on the outcome of the offer, Trident will own up to 68.35 per cent of Hiscox Dedicated's ordinary share capital. However, it is seeking shareholders' approval for not making a general offer.

To allow Hiscox Dedicated to buy tbe Hiscox Syndicates management agency, Hiscox Holdings – parent company of the latter – plans to demerge its non-managing agency activities. These include Roberts & Hiscox members agency, whicb acts for Names, and RK Harrison, an insurance broker and financial adviser.

Tbe funds raised will be invested on four Hiscox managed syndicates, raising Hiscox Dedicated's share on each from between 4 and 5 per cent to about 11 per cent.

OMI Intl expands with £7m acquisition

By Peter Franklin

OMI International, tbe manufacturer and supplier of products and services based on tbe application of measurement technology, yesterday announced it was to acquire Castlet, a private company, for £7m.

Castlet manufactures electronic devices and control systems used mainly to collect dust and other particles from waste gases snch as those emitted by power stations.

To pay for the acquisition, OMI is proposing to raise £9.5m net of expenses via a rights issue of 27.8m shares at 37p eacb on a 5-for-8 basis.

The shares closed at 43p yesterday, down 8p.

In addition to the purchase price, the share issue will provide £2.5m of extra working capital. It has been fully underwritten by Barclays de Zoete Wedd.

Castlet made a pre-tax profit of £1.01m on turnover of £7.4m in the year to April 30 and on completion of the deal should be free of bank debt and have net assets of not less tban £2.7m.

OMI also announced results in line with expectations for the six months to September.

Ou sales down slightly from £17.8m to £17.4m, pre-tax profits for the balf year fell from £237,000 to £18,000.

Mr Gil Williams, chairman and chief executive, said the electro-optics and instrumentation businesses had performed well and had healthy order books, while the move of Tbin Films to Plymontb remained on schedule for the fourth quarter. Forward Industries also met expectations.

Logistics, wbich bad a disappointing second half last year, had sbown a marked upturn, be added.

Borrowings over the period rose by £2.4m to £8.59m – giving gearing of 71 per cent.

Earnings were nil (0.5p); the interim dividend, however, is maintained at 0.75p.

BZW, the bouse broker, has npgraded its current year profits forecast from £1.8m to £2.3m.

Mixed first-half results for Japan's heavy industry groups

Kawasaki does better than most

By Michiyo Nakamoto in Tokyo

Heavy Industries

Japan's heavy industry manufacturers and ehipbuilders raported mixed first-half results due to the yen'a sharp appreciation and a weak domestic economy in the first half of 1994.

Fortunes were divided, depending on the different mix of businesses each is involved in, but sales from shipbuilding, large power plants and steel structures for the private sector were generally lacklustre.

On the other hand, the government's public spending programme increased sales from waste disposal facilities, now becoming a growing business for heavy machinery makers.

While the companies said the yen's sharp appreciation had not yet affected sales – as large orders, particularly for ships, that are being translated into sales now are yen-denominated – it was biting into profits. A one-yan rise against tbe US dollar has the effect of wiping of Y1bn off profits, Mitsubishi Heavy Industries indicated.

At the same time, private capital spending has remained weak in Japan, and not all companies were able to balance this with firm orders from the public sector.

But on the wbole, shipbuilders were able to cut costs and raise profitability through increased procurement of lower-priced parts from overseas and reductions in fixed costs.

One of the better performers in tbe half was Kawasaki Heavy Industries, Japan's second largest shipbuilder. Its shipbuilding division enjoyed a 42 per cent rise in sales. Sales in its industrial plant and steel division rose 36 per cent while its environmental and power plant unit rose by 30 per cent.

But its motorcycle business was hit by the yen's appreciation, forcing it to revise its full-year forecast for total sales by Y10bn ($103m) as it expects the impact of the strong yen to continue to put pressure on motorcycle sales.

At the other end of the scale was Mitsui Engineering and Shipbuilding which reported a 69 per cent drop in recurring profits and passed its interim dividend. Mitsui suffered from a sharp 50 per cent fall in its industrial plant division.

Mitsui, Hitachi Zosen and Mitsubisbi Heavy Industries, the country's biggest shipbuilder, alike saw weak sales in their shipbuilding divisions.

Mitsubishi said compared with the same period a year ago, the first balf was also devoid of major building projects sucb as tbe Akasbi Kaikyo Bridge in Osaka and a huge leisure park in Miyazaki prefecture which boosted the steel division last year.

At the same time, sky-park parking lots suffered a downturn in demand amid Japan's still weak economic condition while an absence of new thermal and nuclear power plants depressed sales in its power systems division.

Ishikawajima-Harima HI was likewise affected by the lack of nuclear power plant sales, wbicb was tbe main factor behind its 16 per cent fall in mid-term sales.

While the companies have managed to keep orders relatively stable, there was general concern that the yen's strength would begin to show through in the next fiscal year as shipbuilding orders are increasingly denominated in dollars and otber currencies ratber than in yen.

1994 interim results and forecasts for year (Y m)

Company	Sales 1994	Sales 1993	Recurring profits* 1994	Recurring profits* 1993	Net profits 1994	Net profits 1993
Hitachi Zosen	135,689	138,459	7,585	7,232	4,175	3,805
Forecast	420,000		23,000		11,500	
IHI	380,266	453,380	10,931	13,362	5,331	7,062
Forecast	800,000		23,000		11,000	
Kawasaki HI	408,079	369,049	11,223	8,081	5,423	5,381
Forecast	960,000		22,000		10,132	
Mitsubishi HI	1,000,848	1,056,482	62,758	61,001	43,562	42,353
Forecast	2,520,000		140,000		80,000	
Mitsui Zosen	106,782	122,668	1,318	4,291	575	2,634
Forecast	330,000		1,000		1,000	
Sumitomo HI	111,361	109,840	-200	-1,002	-1,135	-1,720
Forecast	280,000		1,000		500	

* = before extraordinary items and tax

Source: company reports

Bullers confirms cash call

Bullars, the giftware and media group, yesterday confirmed its intimated rights issue and announced a reduced first-half loss of £402,000.

It is seeking to raise £1.26m via the issue of 7.02m shares at 20p on a 1-for-7 basis.

The group, which underwent a capital reconstruction in March, said yesterday that all but one of its subsidiaries were trading profitably.

The proceeds are intended to eliminate the overdraft and short-term borrowings, which amount to about £523,000, and for working capital.

In the six months to June 30 the pre-tax loss was reduced by £599,000. Sales of £1.73m (£1.11m) inclnded £711,000 from acquisitions.

Clashfleet, acqnired in March, forms the media division, which contributed operating profits of £51,000 on sales of £430,000.

Losses per share were 1.5p (0.88p).

Stega to seek funds via London quotation

By Tim Burt

Stega Pharmacenticals, the Austrian biotechnology company, is to seek a London listing to raise funds for the development of a "revolutionary" immune system stimulant.

The Linz-based group is moving its operations to Britain, where it plans to develop and market its cytokine releasing agent vaccine, known as Cravac.

It claims the product could prove 10 times more effective than existing treatments in stimulating the immune system to fight off infections.

"There is an enormous range of disease states that could theoretically be treated with the aid of the product," according to the company.

Pharmaceutical experts, however, reacted with scepticism and warned that the release of cytokines – natural proteins contained in the immune system – did not always prove effective.

"If all they're doing is stimulating the immune system, I cannot imagine it would have a long-term effect," said Dr Ian Hutchinson, professor of immunology at the University of Manchester.

His concern was echoed by Mr Alan Munro, sciantific director at Cantab Pharmaceuticals, the leading UK biotechnology company, who warned that cytokines could hamper the immune system in some cases.

Nevertheless, Stega said it would press ahead with plans to raise £7m through a subscription offer, which would fund inital development of Cravac.

Dr Bernhard Lischka, Stega chief execntive, said: "This concept could revolutionisa medicine. We believe it will be effective in treating herpes infection, some cancers and chronic skin disorders."

He estimated that the potential world market for treatments for these ailments would grow to $15bn (£9.4bn) a year by the end of the decade.

JAL returns to the black

By Michiyo Nakamoto

Japan Air Lines disclosed unrealised foreign exchange losses of Y43.9bn ($453m) as it reported a return to profits in the first half of 1994.

The airline said the losses result from a purchase of $3.6bn in 10-year forward contracts dating from 1986, which the company made to hedge the risk of buying US dollars to pay for aircraft procurement.

Sinca JAL bought the forward contracts the yen has appreciated sharply, resulting in huge unrealised losses to JAL. The company will not disclose any past losses resulting from the contracts.

However, new finance ministry regulations required JAL to disclose its remaining unrealised losses of Y43.9bn which represents tha difference between the amount in yen that JAL will pay for the dollars it is committed to buying and the market rate.

The disclosure comes as JAL announced a turnround in its business performance on the strength of increased overseas travel by Japanese.

In the six months to September, JAL revenues rose 5 per cent to Y526.4bn from Y500.4bn a year earlier. Recurring profits improved to Y20.6bn from a loss of Y7.9bn and net income was Y11.7bn against a net loss of Y3.4bn.

Total accumulated loss for the company still amounted to Y43.4bn against Y55.1bn at the end of the last fiscal year.

New lower economy class fares and the yen's rise led to a sharp gain in international passengers, numbers increasing by 16 per cent and revenue from international travel rising 12 per cent.

The airline expects the rest of the year to bring similar conditions to the first half. It forecasts sales of Y1,020bn against Y982bn, recurring profits of Y1bn against a Y26.2bn loss and break-even at the net level against a Y26.2bn loss.

The company is undergoing a major restructuring and will pass both the interim and final dividend.

First-half fall at Ajinomoto

By Emiko Terazono in Tokyo

First-half profits of Ajinomoto, Japan's leading food manufacturing company, were hit by the bot summer weather, the discounting boom and increased competition from imported foods due to the higher yen.

Sales were flat at Y298.1bn ($3.07bn). Interim recurring profits fell 13.1 per cent to Y11bn in spite of a 3.1 per cent rise in operating profits, due to a 25.3 per cent fall in non-operating revenues. Profits from securities sales fell 51.3 per cent to Y1.5bn. Net profits fell 33 per cent to Y5bn due to appraisal losses on securities.

THE DAVID THOMAS PRIZE

David Thomas was a Financial Times journalist killed on assignment in Kuwait in April 1991. Before joining the FT he had worked for, among others, the Trades Union Congress.

His life was characterised by original and radical thinking coupled with a search for new subjects and orthodoxies to challenge.

In his memory a prize has been established to provide an annual study/travel grant to enable the recipient to take a career break to explore a theme in the fields of industrial policy, third world development or the environment.

The theme for the 1995 prize, worth not less than £3,000, is: DOES FREE TRADE THREATEN THE ENVIRONMENT?

Applicants, aged under 35, of any nationality, should submit up to 1000 words in English on this subject, together with a brief c.v. and a proposal outlining how the award would be used to explore this theme further.

The award winner will be required to write a 1500 to 2000 word essay at the end of the study period. The essay will be considered for publication in the FT.

CLOSING DATE JANUARY 6 1995

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BMW shares advance on rising sales and profits

By Christopher Parkes in Frankfurt

BMW's share price rose strongly yesterday after an upbeat statement from the company which said turnover was outstripping record levels reached in 1992, and forecast "positive effects" on profits.

Sales, excluding the recently-acquired Rover group, rose 8.5 per cent to DM23.8bn ($15.9bn) at nine months, BMW said. This was 1.5 per cent higher than in the comparable part of 1992, when the full year's sales hit DM31.2bn, it added.

The company, which last year saw net earnings tumble to DM516m from DM726m in 1992, reported a 14 per cent recovery to DM290m on a sales increase of 7.4 per cent in the first half of the current year.

The group's share price jumped DM18 in early Frankfurt trading yesterday and closed DM12, or 1.6 per cent, higher on the day.

The company's statement suggested production bottlenecks experienced in the spring had been cleared, and forecast demand would be further increased by new variants on the successful 3-Series, due shortly.

While car production rose 5 per cent in the nine months to the end of September, deliveries to customers increased 7 per cent overall to 434,000, with a 13 per cent surge in the last month of the reporting period.

Analysts at the Bayerische Vereinsbank calculated that production in the third quarter was more than 8 per cent up on the year-earlier period, while deliveries had risen 10 per cent.

According to earlier data, world sales of BMW marque models were up only 5 per cent in the first seven months of the year. Deliveries in Germany, up only 2 per cent in the period to the end of July, were up 4 per cent after nine months, according to yesterday's statement.

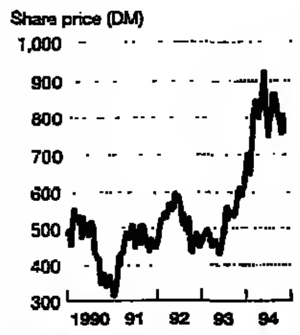
Sales elsewhere in Europe ware in line with the overall market growth of 5 per cent so far. However, while deliveries in the UK rose 24 per cent to 39,000, those in the important Italian and French markets were unchanged at 24,200 and 18,700 respectively.

US sales, up 13 per cent after six months, were still 10 per cent ahead at the end of the latest reporting period. At 63,500 vehicles, the nine-month total was only marginally short of BMW's US sales in tha whole of 1993.

Sales in Japan rose 8 per cent to 20,600, while 41 per cent growth in other south-east Asian markets took deliveries there to 17,400.

BMW

Share price (DM)



Source: FT Graphite

Broker bids to gag the greenback

By Patrick Harverson in New York

Money has always talked loudest on Wall Street, where salaries are often measured in the millions of dollars, but yesterday the securities firm PaineWebber sought to place a gag order on the greenback. It is suing two rival firms to stop them from luring away its best staff with offers of huge pay increases.

The saga started 10 days ago when PaineWebber bought the investment bank Kidder Peabody, and its army of highly profitable stockbrokers, from General Electric. Yet, before PaineWebber could welcome Kidder's employees to their new home, several rival firms had poached some of Kidder's best brokers, many of whom generate millions of dollars annually in commissions, from under PaineWebber's nose.

This tactic – enticing staff away from one firm to another with offers of hefty pay packets – is nothing new on Wall Street, but PaineWebber felt it had to take drastic action to protect its investment in Kidder.

So yesterday, PaineWebber filed lawsuits against Donaldson, Lufkin & Jenrette and Dean Witter Reynolds, two of the biggest names on Wall Street, charging them with trying to undermine its acquisition of Kidder Peabody by offering Kidder brokers "exorbitant" financial incentives to leave the firm.

The lawsuits followed reports that several top-producing Kidder brokers in New York and around the country had left the firm to join DLJ or Dean Witter. Merrill Lynch, another broking firm, was also said to have lured away a team of brokers from Kidder.

Although there is nothing in US securities law that forbids the poaching of employees, firms are not allowed to deliberately interfere with a transaction such as the takeover of one firm by another.

So, PaineWebber is asking the courts to ban DLJ and Dean Witter from raiding Kidder's staff.

The irony of the situation is that Kidder's top brokers are being offered big pay increases to join other firms at a time when almost everyone on Wall Street is having to accept a pay cut or, even worse, redundancy, as firms endure a sharp slowdown in activity on financial markets.

The cost-cutting has dug so deep thet the biggest names on Wall Street are not immune to the axe.

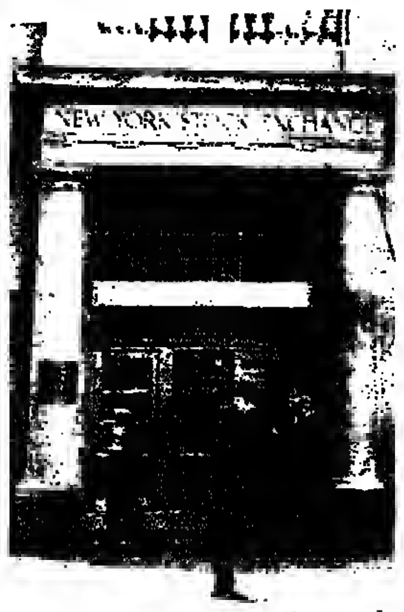
On Wednesday, Ms Elaine Garzarelli, the prominent analyst who became famous after warning clients to sell stocks before the stock market crash of 1987, was released by her long-time employer Lehman Brothers because the securities firm could no longer afford her million-dollar salary.

Fortunately for Ms Garzarelli, she is regarded highly enough within the business that she should have no shortage of offers of employment from other firms. PaineWebber, in fact, was one name linked this week to the former Lehman star, but the firm may miss its chance to hire her if it does not move fast. Rivals such as DLJ and Dean Witter may already have their cheque books out, judging by their rapid raids on Kidder Peabody.

One firm which will almost certainly not bid for Ms Garzarelli's service, or attempt to hire any Kidder brokers for that matter, is Salomon Brothers, the big bond trading firm which has racked up huge losses this year.

On Thursday, Salomon announced it was cutting the pay of its top investment bankers and traders by two-thirds.

Although the bankers and traders were told they could make a lot of money in bonuses if they performed well, they were also warned that if they lost money for the firm, they could expect to see their pay cheques shrink accordingly.



The NYSE: centre of the battle ground

Morgan Stanley wins Stet role

By Richard Lapper

Morgan Stanley, the US investment bank, has won a fierce contest to advise the Italian government on the privatisation of Stet, the state controlled telecommunications holding company.

The government announced yesterday the approval of the recommendation by IRI, which owns some 65 per cent of Stet, to appoint Morgan Stanley. The bank has played a big role in the privatisation or break-up of a number of the world's biggest telecoms companies, including British Telecom and AT&T. Morgan Stanley was one of 21 firms in the competition which began late last year. The government said an Italian adviser would be appointed in the next few days to work alongside Morgan Stanley on equal terms.

Mr Stephen Waters, co-head of Morgan Stanley in Europe, said he believed it would be possible to complete the sell-off next year. "I think it is important to get it off when it's ready to go. My own sense is that this can be in 1995."

The bank will help to shape the privatisation process and will play a role in deciding who will handle the sale of Stet shares to international investors.

Stet owns 60 per cent of Telecom Italia and other holdings in areas such as manufacturing and software, and ventures such as Stream, the multimedia company jointly owned with Bell Atlantic of the US. The sale is set to be one of the largest in the international telecoms sector.

Claims provisions hit earnings at Aetna

By Richard Waters in New York

Earnings at Aetna, the US insurance group, were hit by further additions to reserves to meet environmental claims during the third quarter, contributing to a 25 per cent fall in operating earnings.

The $23m of extra reserves in the latest period come on top of a $64m charge to cover indemnity-related pollution costs taken during the previous quarter. The earlier provision had shocked investors, and prompted concern that big environmental-related liabilities might lie buried at other insurers as well. Hopes that a reform of the US Superfund environmental clean-up law would ease insurers' liabilities in this area have been dampened by the Clinton administration's failure to push through legislation in recent months.

The addition to reserves announced yesterday, although causing less consternation than the second-quarter charge, contributed to a slight fall in Aetna's share price during the morning, against the background of a strongly rising stock market.

Aetna's latest results were also held back by higher catastrophe insurance losses, as the company added further to its estimate of the cost of the Los Angeles earthquake at the beginning of the year. Catastrophe losses during the third quarter were $28m, $10m more than the third quarter of 1993.

These factors, along with capital losses of $11m compared with gains of $13m a year ago, helped to mask an increase in underlying operating profits in the commercial property/casualty business, from $49m to $59. Personal property/casualty profits slipped on higher reinsurance costs.

Aetna's health and life insurance business, along with financial services, posted profit gains, while it took net capital losses of $20m, compared with gains of $29m the year before. Overall net income of $129m, or $1.15 a share, was down from $226m, or $2.03 a share.

Sweden's debt rating faces downgrading

By Conner Middelmann

Moody's investors Service, the debt rating agency, yesterday placed Sweden's Aa2 foreign currency rating on review for a possible downgrade.

As a result, the Aa2 ratings on the foreign currency denominated bonds issued by the Kingdom of Sweden, the Swedish Export Credit Corporation, Forsmarks Kraftgrupp and Kummuninvest I Sverige, have also been placed under review.

Moody's cited its concern about the continuing accumulation of public-sector debt as a key reason for the move. "Stronger economic growth, lower unemployment and additional fiscal restraint expected from the recently elected government suggest that budget deficits relative to GDP will shrink," it said. "Nevertheless, the build-up in public-sector debt will continue," it warned.

Moody's review will focus on the degree to which policies can be forged over the medium term to strengthen the public sector finances and improve the investment climate, it said.

Some observers were surprised by the timing of the announcement, coming just days before Wednesday's fiscal statement by Mr Goran Persson, the new finance minister. However, they said the move might serve as a reminder to the government that its top priority should be to get its fiscal house in order.

Mr Persson is expected to detail on Wednesday how he plans to undertake the SKr61bn ($8.59bn) fiscal tightening the Social Democrats announced in the election campaign.

Last week he proposed a further 20 per cent cut in government spending over the next four years.

Belize Holdings buys stake in Panama group

By Stephen Fidler

Belize Holdings, the Nasdaq-quoted company headed by the businessman Mr Michael Ashcroft, chairman of ADT, yesterday took a first step in what the company said was a strategy aimed at expanding its operations into central America and the Caribbean.

The group bought for $13.5m a 75 per cent stake in Panama Holdings, a new company established in Panama to invest in infrastructure projects in that country.

Privatisation and a restructuring of companies there "offer timely prospects for entry into these businesses," the company said.

Mr Ashcroft owns more than 50 per cent of the shares of Belize Holdings, which held assets of $137m at the end of last year.

Eurotunnel stands by projections

By Andrew Jack in Paris

Eurotunnel, the Channel tunnel operator, yesterday firmly stood by the projections given in its May rights issue prospectus as the French markets watchdog began its second inquiry into the company this year.

"The report put together in May contained all the information that we had available at the time," the company said. "We said the figures were subject to change but they were right at the time of the rights issue."

The response came after the Commission des Operations de Bourse, the French regulator, on Thursday night made public a letter to Eurotunnel announcing the start of an investigation after the close of the London and Paris stock exchanges.

It is concerned about the validity of the May projections and why the company did not report sooner on the financial impact of a series of delays since then.

The release surprised Eurotunnel, which expressed concern that the details had been made public.

However, it is believed that the COB policy over the past few years has been to make release details of any formal inquiries which are wide-ranging and therefore likely to leak out to the press.

CURRENCIES AND MONEY

MARKETS REPORT

Dollar rallies

The dollar rallied yesterday following the release of third quarter GDP figures which prompted a sharp rise in the bond and equity markets, *writes Philip Gawith.*

Although GDP growth of 3.4 per cent was above market expectations, the report in total convinced the market that inflationary pressures were more subdued than it had believed.

The dollar finished in London at DM1.5094, up from DM1.4950 before the GDP figures, and touched DM1.5170 during the New York morning. Against the yen it finished at Y97.335 from Y96.895.

The firmer dollar weighed on the D-Mark in Europe, and also depressed sterling. The pound fell from $1.6370, before the GDP figures, to $1.6235 at the close. It traded in a narrow range against the D-Mark to close at DM2.4505 from DM2.4519.

■ Analysts said the dollar's rally had been driven mostly by short term traders, many of whom had been forced to cover short positions they held ahead of the GDP release. One observer described it as a "typical Friday afternoon short squeeze." There were also reports that funds bought dollars on the IMM futures market, driving the price up further.

Mr Robin Marshall, chief economist at Chase Manhattan in London, said the GDP report had "delayed the day of reckoning in terms of the Fed's decision on interest rates." He said this could work against the dollar. "The prolonging of the uncertainty is the main problem for investor confidence," he said.

■ **Pound in New York**

Oct 28	Latest	Prev. close
£ spot	1.6195	1.6365
1 mth	1.6189	1.6359
3 mth	1.6164	1.6355
1 yr	1.6084	1.6253

Mr Marshall said it was difficult to be optimistic about the dollar "with the economy dangerously close to capacity constraints and a central bank that appears to be dithering."

For dollar bulls, there is some cheer to be had from a technical perspective. Chartists said the dollar had, on a weekly basis, made a reversal of its downward trend. After touching a low in July, it then traded sideways until earlier this month. Chartists say it is possible this pattern could be repeated, although the long term picture for the dollar is still down.

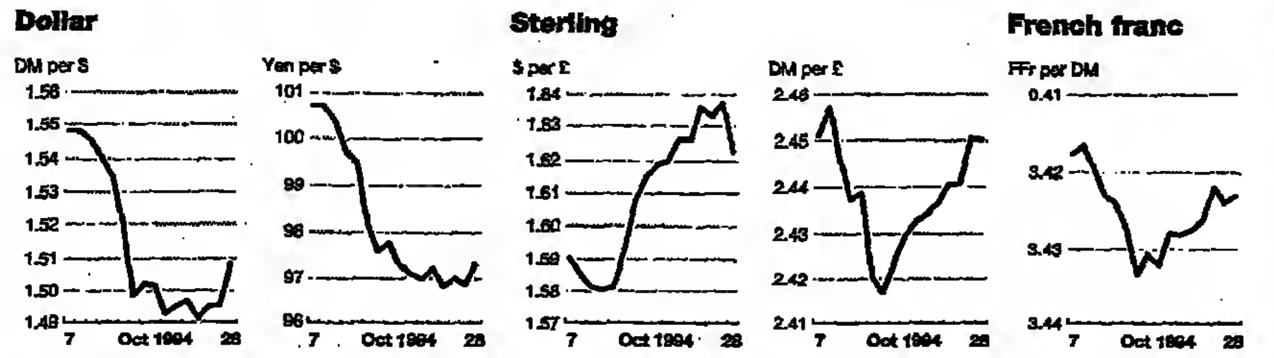
■ The combination of the US GDP figures, and bullish comments about the UK inflation outlook, from Bank of England governor Mr Eddie George, prompted a rally in short sterling futures. The March contract traded 34,000 contracts to close at 92.78, up from 92.66.

The Bank of England provided £610m late assistance to UK money markets after forecasting a £1.1bn shortage. Earlier it had provided £344m assistance at established rates. Three month sterling LIBOR was unchanged at 6 per cent.

■ Before coming under pressure from the dollar, the D-Mark was supported by comments from Mr Hans Tietmeyer, the Bundesbank president. He told an economic foundation in Bonn that "a strong currency is in the best interests of the German economy."

■ Elsewhere, the South African central bank governor, Dr Chris Stals, said in Johannesburg that a fairly substantial net inflow of capital from July to September would hasten the abolition of the financial rand system, but "not now". This caused the financial rand to weaken to R4.035 against the dollar from R3.985.

In Nigeria meanwhile, the naira recovered on the free market to N90 against the dollar, from a record low of N100. The government tried to fix the exchange rate at N22 last January.



Source: Datastream

POUND SPOT FORWARD AGAINST THE POUND

Oct 28		Closing mid-point	Change on day	Bid/offer spread	Day's Mid high	Day's Mid low	One month Rate	One month %PA	Three months Rate	Three months %PA	One year Rate	One year %PA	Bank of Eng. Index
Europe													
Austria	(Sch)	17.2375	-0.0078	281 - 469	17.2735	17.1596	17.2332	0.3	17.2213	0.4	-	-	115.4
Belgium	(BFr)	50.3935	-0.0052	455 - 414	50.4800	50.2590	50.3635	0.7	50.3065	5.7	49.8536	1.1	117.2
Denmark	(DKr)	9.5821	+0.0010	775 - 866	9.5996	9.5509	9.5778	0.6	9.5961	-0.6	9.6256	-0.5	117.2
Finland	(FM)	7.4746	+0.032	642 - 850	7.4950	7.4490	-	-	-	-	-	-	89.1
France	(FFr)	8.3880	-0.0037	831 - 928	8.4038	8.3684	8.3886	-0.1	8.3815	0.3	8.3148	0.9	110.6
Germany	(DM)	2.4505	-0.0014	491 - 519	2.4570	2.4422	2.4493	0.6	2.4456	0.8	2.4123	1.6	126.5
Greece	(Dr)	377.172	-0.52	974 - 369	378.209	376.162	-	-	-	-	-	-	-
Ireland	(I£)	1.0136	-0.0013	131 - 145	1.0166	1.0107	1.0136	0.2	1.0133	0.2	1.015	-0.1	105.7
Italy	(L)	2506.28	+3.13	469 - 786	2509.83	2500.12	2512.16	-2.8	2523.12	-2.7	2571.38	-2.6	74.6
Luxembourg	(LFr)	50.3935	-0.0052	455 - 414	50.4800	50.2590	50.3635	5.7	50.3065	5.7	49.8535	1.1	117.2
Netherlands	(Fl)	2.7454	-0.0029	437 - 470	2.7514	2.7413	2.7441	0.6	2.7402	0.8	2.7047	1.6	121.1
Norway	(NKr)	10.6489	-0.0081	440 - 538	10.6777	10.6330	10.6484	0.1	10.6517	-0.1	10.6525	0.0	96.8
Portugal	(Es)	250.344	-0.053	186 - 502	250.871	248.790	252.074	-8.3	255.254	-7.8	-	-	-
Spain	(Pta)	203.977	+0.097	849 - 104	204.313	202.469	204.322	-2.0	209.382	-10.6	207.487	-1.7	86.0
Sweden	(SKr)	11.6698	+0.0475	572 - 806	11.7071	11.5693	11.6693	-2.2	11.7369	-2.3	11.9249	-2.2	76.2
Switzerland	(SFr)	2.0460	-0.0027	445 - 474	2.0534	2.0401	2.0429	1.8	2.0362	1.9	1.994	2.5	122.5
UK	(£)	-	-	-	-	-	-	-	-	-	-	-	80.7
Ecu	-	1.2851	-	842 - 860	1.2879	1.2803	1.285	0.1	1.285	5.0	1.2791	0.5	-
SDR†	-	0.911989	-	-	-	-	-	-	-	-	-	-	-
Americas													
Argentina	(Peso)	1.6236	-0.0135	230 - 242	1.6378	1.6228	-	-	-	-	-	-	-
Brazil	(R)	1.3760	-0.0169	747 - 772	1.3900	1.3740	-	-	-	-	-	-	-
Canada	(C$)	2.1915	-0.0174	904 - 926	2.2130	2.1900	2.1907	0.5	2.1891	0.4	2.1824	0.4	87.1
Mexico	(New Peso)	5.5739	-0.0392	555 - 922	5.6128	5.5545	-	-	-	-	-	-	-
USA	($)	1.6235	-0.0142	230 - 240	1.6383	1.6230	1.6229	0.4	1.6225	0.3	1.6123	5.7	81.1
Pacific/Middle East/Africa													
Australia	(A$)	2.1852	-0.0162	838 - 866	2.2062	2.1816	2.1852	0.0	2.1885	-0.2	2.2046	-0.9	-
Hong Kong	(HK$)	12.5453	-0.1099	406 - 499	12.6588	12.5404	12.5362	0.9	12.5312	0.4	12.4807	5.7	-
India	(Rs)	50.9292	-0.4685	095 - 489	51.4020	50.9070	-	-	-	-	-	-	-
Japan	(Y)	158.024	-0.658	918 - 129	158.850	157.900	157.684	3.3	156.599	3.6	151.244	4.3	189.5
Malaysia	(M$)	4.1446	-0.0398	425 - 467	4.1785	4.1416	-	-	-	-	-	-	-
New Zealand	(NZ$)	2.6379	-0.0276	360 - 398	2.6635	2.6345	2.6418	-1.8	2.6496	-1.8	2.6718	-1.3	-
Philippines	(Peso)	40.4252	-0.3523	316 - 189	40.5400	40.3275	-	-	-	-	-	-	-
Saudi Arabia	(SR)	6.0902	-0.0631	879 - 924	6.1453	6.0857	-	-	-	-	-	-	-
Singapore	(S$)	2.3890	-0.0184	874 - 905	2.4083	2.3870	-	-	-	-	-	-	-
S Africa (Com.)	(R)	5.6839	-0.0475	805 - 872	5.7298	5.6768	-	-	-	-	-	-	-
S Africa (Fin.)	(R)	6.5346	+0.0085	163 - 528	6.6238	6.5124	-	-	-	-	-	-	-
South Korea	(Won)	1293.04	-12.33	239 - 368	1304.58	1293.02	-	-	-	-	-	-	-
Taiwan	(T$)	42.2788	-0.4	613 - 963	42.6597	42.2611	-	-	-	-	-	-	-
Thailand	(Bt)	40.4495	-0.3124	208 - 782	40.7870	40.4200	-	-	-	-	-	-	-

†SDR rates for Oct 27. Bid/offer spreads in the Pound Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. Sterling index calculated by the Bank of England. Base average 1985 = 100. Bid, Offer and Mid-rates in both this and the Dollar Spot tables derived from THE WM/REUTERS CLOSING SPOT RATES. Some values are rounded by the F.T.

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Oct 28		Closing mid-point	Change on day	Bid/offer spread	Day's mid high	Day's mid low	One month Rate	One month %PA	Three months Rate	Three months %PA	One year Rate	One year %PA	J.P Morgan index
Europe													
Austria	(Sch)	10.6175	+0.087	150 - 200	10.6200	10.5070	10.6175	0.0	10.6173	5.0	10.5425	5.7	104.5
Belgium	(BFr)	31.0400	+0.265	200 - 600	31.0600	30.7170	31.04	0.0	31.01	0.4	30.94	0.3	106.1
Denmark	(DKr)	5.9021	+0.0621	011 - 031	5.9040	5.8337	5.9063	-0.9	5.9136	-0.6	5.9491	-0.8	105.0
Finland	(FM)	4.6040	+0.0596	990 - 090	4.6090	4.5543	4.6052	-0.3	4.6	0.3	4.605	0.0	84.0
France	(FFr)	5.1668	+0.0424	652 - 680	5.1687	5.1095	5.1684	-0.4	5.1668	0.0	5.1601	0.1	106.9
Germany	(D)	1.5094	+0.0122	090 - 098	1.5125	1.4925	1.5095	-0.1	1.5078	0.5	1.4971	0.8	107.4
Greece	(Dr)	232.320	+1.88	270 - 370	232.370	230.300	232.61	-1.5	233.145	-1.4	235.495	-1.4	68.4
Ireland	(I£)	1.6014	-0.012	008 - 020	1.6210	1.5998	1.6014	0.0	1.6014	0.0	1.5884	0.8	-
Italy	(L)	1543.75	+15.25	325 - 425	1544.25	1528.79	1548	-3.3	1555.25	-3.0	1595.25	-3.3	75.1
Luxembourg	(LFr)	31.0400	+0.265	200 - 600	31.0600	30.7170	31.04	0.0	31.01	0.4	30.94	0.3	106.1
Netherlands	(Fl)	1.6910	+0.0128	905 - 915	1.6938	1.6744	1.6911	-0.1	1.6892	0.4	1.6787	0.7	105.9
Norway	(NKr)	6.5592	+0.0517	582 - 602	6.5670	6.4895	6.5624	-0.6	6.5762	-1.0	6.6069	-0.8	96.0
Portugal	(Es)	154.200	+1.3	150 - 250	154.370	152.100	154.775	-4.5	155.9	-4.4	159.85	-3.7	95.2
Spain	(Pta)	125.640	+1.145	600 - 680	125.680	124.350	125.905	-2.5	124.915	2.3	128.74	-2.5	81.0
Sweden	(SKr)	7.1875	+0.0911	825 - 925	7.1925	7.0769	7.2017	-2.4	7.2296	-2.3	7.3635	-2.4	82.1
Switzerland	(SFr)	1.2602	+0.0092	597 - 607	1.2627	1.2465	1.2589	1.3	1.2552	1.6	1.2378	1.8	108.1
UK	(£)	1.6235	-0.0142	230 - 240	1.6383	1.6230	1.6229	0.4	1.6225	0.3	1.6123	5.7	89.2
Ecu	-	1.2633	-0.011	828 - 838	1.2757	1.2621	1.2628	5.7	1.2623	0.3	1.2598	0.3	-
SDR†	-	1.49320	-	-	-	-	-	-	-	-	-	-	-
Americas													
Argentina	(Peso)	1.0001	+0.0004	000 - 001	1.0001	0.9999	-	-	-	-	-	-	-
Brazil	(R)	0.8475	-0.003	470 - 480	0.8500	0.8470	-	-	-	-	-	-	-
Canada	(C$)	1.3499	+0.0011	498 - 501	1.3515	1.3488	1.3498	0.0	1.3494	5.1	1.3547	-0.4	83.7
Mexico	(New Peso)	3.4333	+0.0058	230 - 435	3.4435	3.4230	3.4343	-0.3	3.4361	-0.3	3.4438	-0.3	-
USA	($)	-	-	-	-	-	-	-	-	-	-	-	93.7
Pacific/Middle East/Africa													
Australia	(A$)	1.3460	+0.0005	455 - 464	1.3473	1.3441	1.3463	-0.2	1.347	-0.3	1.3543	-0.6	85.5
Hong Kong	(HK$)	7.7273	-0.0003	268 - 278	7.7278	7.7268	7.7264	0.1	7.728	0.1	7.7358	-0.1	-
India	(Rs)	31.3700	+0.015	675 - 725	31.3850	31.3675	31.455	-3.3	31.6	-2.9	-	-	-
Japan	(Y)	97.3350	+0.44	000 - 700	97.4000	96.8000	97.115	2.7	96.535	3.3	93.89	3.5	150.6
Malaysia	(M$)	2.5529	+0.0014	524 - 534	2.5534	2.5510	2.5437	4.3	2.5324	3.2	2.6059	-2.1	-
New Zealand	(NZ$)	1.6248	-0.0027	242 - 255	1.6287	1.6242	1.6258	-0.7	1.6277	-0.7	1.633	-0.5	-
Philippines	(Peso)	24.9000	-	500 - 500	24.9500	24.8000	-	-	-	-	-	-	-
Saudi Arabia	(SR)	3.7513	-	510 - 516	3.7515	3.7510	3.7528	-0.4	3.7587	-0.8	3.7753	-0.6	-
Singapore	(S$)	1.4715	+0.0015	710 - 720	1.4720	1.4705	1.4702	1.1	1.4683	0.9	1.4815	0.7	-
S Africa (Com.)	(R)	3.5010	+0.0012	000 - 020	3.5030	3.4915	3.5165	-5.3	3.5448	-5.0	3.6216	-3.4	-
S Africa (Fin.)	(R)	4.0250	+0.04	150 - 350	4.0500	4.0000	4.0587	-10.1	4.1175	-9.2	-	-	-
South Korea	(Won)	798.450	-0.85	300 - 600	797.100	796.300	799.45	-4.5	802.95	-3.3	821.45	-3.1	-
Taiwan	(T$)	26.0418	-0.0192	390 - 445	26.0580	26.0390	26.0610	-0.9	26.1018	-0.8	-	-	-
Thailand	(Bt)	24.9150	+0.0245	050 - 250	24.9250	24.9000	24.9875	-3.5	25.115	-3.2	25.595	-2.7	-

†SDR rate for Oct 27. Bid/offer spreads in the Dollar Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. UK, Ireland & ECU are quoted in US currency. J.P. Morgan nominal indices Oct 27. Base average 1990=100

WORLD INTEREST RATES

MONEY RATES

October 28	Over night	One month	Three mths	Six mths	One year	Lomb. inter.	Dis. rate	Repo rate
Belgium	4⅞	4 15/16	5⅛	5⅜	6⅛	7.40	4.50	-
week ago	4⅞	4⅞	5⅛	5⅜	6¼	7.40	4.50	-
France	5⅛	5⅜	5⅝	5⅞	6⅜	5.00	-	5.75
week ago	5⅝	5⅛	5⅝	5⅞	6⅝	5.00	-	5.75
Germany	4.78	4.95	5.10	5.30	5.65	6.00	4.50	4.85
week ago	4.82	4.95	5.15	5.25	5.58	6.00	4.50	4.85
Ireland	5 1/16	5¼	5⅝	6⅞	7½	-	-	6.25
week ago	4⅞	5¼	5⅛	6⅝	7⅛	-	-	6.25
Italy	8⅛	8⅛	8⅞	8⅜	10⅛	-	7.50	8.20
week ago	8 1/16	8⅛	8¾	8¼	10¼	-	7.50	8.20
Netherlands	4.84	4.97	5.20	5.34	5.74	-	5.25	-
week ago	4.84	4.97	5.17	5.30	5.68	-	5.25	-
Switzerland	3⅜	3⅞	4⅛	4¼	4⅝	6.625	3.50	-
week ago	3⅞	3⅞	4⅛	4¼	4⅝	6.625	3.50	-
US	4⅞	4⅞	5⅝	5⅞	6½	-	4.00	-
week ago	4⅝	4⅞	5⅛	5⅞	6⅛	-	4.00	-
Japan	2⅛	2¼	2⅛	2⅛	2⅝	-	1.75	-
week ago	2¼	2¼	2⅝	2½	2⅞	-	1.75	-
■ $ LIBOR FT London								
Interbank Fixing	-	5⅛	5⅞	6	6⅜	-	-	-
week ago	-	5⅛	5⅝	5⅞	6½	-	-	-
US Dollar CDs	-	4.88	5.35	5.71	6.31	-	-	-
week ago	-	4.86	5.36	5.71	6.30	-	-	-
SDR Linked Ds	-	3⅝	3⅜	3⅝	4	-	-	-
week ago	-	3⅝	3⅜	3¾	4	-	-	-

ECU Linked Ds mid rates: 1 mth: 5⅞; 3 mths: 5⅞; 6 mths: 6⅛; 1 year: 6⅝. $ LIBOR interbank fixing rates are offered rates for $10m quoted to the market by four reference banks at 11am each working day. The banks are: Bankers Trust, Bank of Tokyo, Barclays and National Westminster.
Mid rates are shown for the domestic Money Rates, US $ CDs and SDR Linked Deposits (Ds).

EURO CURRENCY INTEREST RATES

Oct 28	Short term	7 days notice	One month	Three months	Six months	One year
Belgian Franc	4⅞ - 4 13/16	4 13/16 - 4 11/16	5 - 4⅞	5¼ - 5⅛	5 9/16 - 5 7/16	6 3/16 - 6 1/16
Danish Krone	5¼ - 5	5¾ - 5½	5⅞ - 5⅝	6½ - 6¼	6⅞ - 6⅝	7⅝ - 7⅜
D-Mark	5 - 4⅞	4 15/16 - 4 13/16	4 15/16 - 4 13/16	5 3/16 - 5 1/16	5 9/16 - 5 7/16	5 15/16 - 5 13/16
Dutch Guilder	5 - 4⅞	5 - 4⅞	5 - 4⅞	5 3/16 - 5⅛	5⅜ - 5¼	5¾ - 5⅝
French Franc	5⅜ - 5¼	5 7/16 - 5 5/16	5 7/16 - 5 5/16	5⅝ - 5½	5 15/16 - 5 13/16	6 5/16 - 6 3/16
Portuguese Esc.	9⅛ - 9	9⅛ - 9	9½ - 9¼	10⅛ - 9¾	10⅛ - 10	10⅝ - 10⅜
Spanish Peseta	7 9/16 - 7⅜	7 9/16 - 7⅜	7 5/16 - 7 3/16	7 13/16 - 7¾	8⅝ - 8¼	9⅛ - 8 15/16
Sterling	5⅝ - 5⅜	5 7/16 - 5 5/16	5 15/32 - 5 13/32	6 - 5⅞	6 7/16 - 6⅜	7 5/16 - 7 3/16
Swiss Franc	3⅝ - 3½	3⅝ - 3½	3 13/16 - 3 11/16	4 - 3⅞	4 3/16 - 4 1/16	4⅝ - 4½
Can. Dollar	5 - 4 13/16	5 - 4 13/16	5 1/16 - 4 15/16	5½ - 5⅜	6 1/16 - 5 15/16	6⅞ - 6¾
US Dollar	4¾ - 4⅝	4 13/16 - 4 11/16	5 - 4⅞	5 13/16 - 5 9/16	6 - 5⅞	6 9/16 - 6 7/16
Italian Lira	9 - 7½	8¼ - 8⅛	8 7/16 - 8 5/16	8 11/16 - 8 9/16	9 5/16 - 9 1/16	10⅛ - 10
Yen	2 5/16 - 2 3/16	2 5/16 - 2 3/16	2 5/16 - 2¼	2⅜ - 2 5/16	2½ - 2 7/16	2 13/16 - 2¾
Asian $Sing	1⅞ - 1¾	1⅞ - 1¾	2 5/16 - 2 3/16	3 5/16 - 3 1/16	3⅝ - 3½	4 - 3⅞

Short term rates are call for the US Dollar and Yen, others: two days' notice.

■ **THREE MONTH PIBOR FUTURES** (MATIF) Paris interbank offered rate

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec	94.28	94.29	+0.02	94.30	94.25	16,093	56,084
Mar	93.81	93.85	+0.06	93.88	93.78	14,032	38,086
Jun	93.39	93.44	+0.08	93.45	93.35	6,898	20,009
Sep	92.99	93.05	+0.08	93.05	92.97	3,266	19,155

■ **THREE MONTH EURODOLLAR** (LIFFE)* $1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec	94.00	94.08	+0.08	94.08	94.00	52	2539
Mar		93.61	+0.05			0	1386
Jun		93.15	+0.06			0	350
Sep		92.79	+0.05			0	56

■ **THREE MONTH EUROMARK FUTURES** (LIFFE)* DM1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec	94.84	94.85	+0.01	94.86	94.79	27132	157840
Mar	94.55	94.59	+0.04	94.60	94.48	49024	155587
Jun	94.14	94.21	+0.07	94.24	94.06	35410	108179
Sep	93.77	93.82	+0.07	93.84	93.70	10919	77249

■ **THREE MONTH EUROLIRA INT.RATE FUTURES** (LIFFE) L1000m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec	90.85	90.87	+0.03	90.88	90.85	4882	32580
Mar	90.20	90.27	+0.05	90.28	90.15	3822	28576
Jun	89.66	89.73	+0.07	89.75	89.60	1855	15902
Sep	89.27	89.35	+0.07	89.35	89.22	2121	19210

■ **THREE MONTH EURO SWISS FRANC FUTURES** (LIFFE) SFr1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec	95.83	95.88	+0.02	95.89	95.81	1842	19908
Mar	95.51	95.58	+0.06	95.60	95.48	2463	17342
Jun	95.11	95.17	+0.07	95.16	95.06	310	5108
Sep	94.69	94.80	+0.07	94.85	94.69	252	1757

■ **THREE MONTH ECU FUTURES** (LIFFE) Ecu1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec	93.86	93.94	+0.07	93.94	93.85	1100	7865
Mar	93.37	93.48	+0.10	93.48	93.35	544	6910
Jun	92.85	92.96	+0.10	92.96	92.83	367	4140
Sep	92.37	92.47	+0.10	92.47	92.36	185	2444

* LIFFE futures traded on APT

■ **THREE MONTH EURODOLLAR** (IMM) $1m points of 100%

	Open	Latest	Change	High	Low	Est. vol	Open int.
Dec	93.99	94.07	+0.08	94.08	93.94	84,021	421,540
Mar	93.56	93.61	+0.05	93.63	93.63	79,627	395,743
Jun	93.09	93.15	+0.06	93.10	93.18	48,228	291,695

■ **US TREASURY BILL FUTURES** (IMM) $1m per 100%

	Open	Latest	Change	High	Low	Est. vol	Open int.
Dec	94.58	94.67	+0.08	94.67	94.56	330	17,660
Mar	94.09	94.16	+0.07	94.16	94.06	149	10,552
Jun	-	93.67	+0.02	93.67	93.61	36	5,845

All Open Interest figs. are for previous day

■ **EUROMARK OPTIONS** (LIFFE) DM1m points of 100%

Strike Price	Calls Nov	Calls Dec	Calls Jan	Calls Mar	Puts Nov	Puts Dec	Puts Jan	Puts Mar
9475	0.12	0.16	0.10	0.15	0.02	0.06	0.26	0.31
9500	0.01	0.04	0.03	0.07	0.16	0.16	0.44	0.48
9525	0	0.01	0.01	0.02	0.40	0.41	0.67	0.68

Est. vol. total, Calls 4084 Puts 2970. Previous day's open int., Calls 208627 Puts 186270

■ **EURO SWISS FRANC OPTIONS** (LIFFE) SFr 1m points of 100%

Strike Price	Calls Dec	Calls Mar	Calls Jun	Puts Dec	Puts Mar	Puts Jun
9575	0.16	0.13	0.09	0.06	0.30	0.67
9600	0.06	0.06	0.04	0.17	0.48	0.87
9625	0.02	0.03		0.39	0.70	

Est. vol. total, Calls 0 Puts 0. Previous day's open int., Calls 2070 Puts 845

CROSS RATES AND DERIVATIVES

EXCHANGE CROSS RATES

Oct 28		BFr	DKr	FFr	DM	I£	L	Fl	NKr	Es	Pta	SKr	SFr	£	C$	$	Y	Ecu
Belgium	(BFr)	100	19.01	16.65	4.862	2.010	4973	5.448	21.12	496.7	404.6	23.14	4.060	1.985	4.348	3.221	313.6	2.550
Denmark	(DKr)	52.59	10	8.756	2.557	1.057	2616	2.865	11.11	261.2	212.8	12.17	2.135	1.044	2.287	1.694	164.9	1.341
France	(FFr)	60.07	11.42	10	2.921	1.208	2988	3.273	12.68	298.4	243.1	13.90	2.439	1.192	2.612	1.935	188.4	1.532
Germany	(DM)	20.57	3.911	3.424	1	0.413	1023	1.120	4.343	102.2	83.22	4.759	0.835	0.408	0.894	0.662	64.49	0.524
Ireland	(I£)	49.74	9.458	8.280	2.419	1	2474	2.710	10.50	247.1	201.3	11.51	2.020	0.987	2.163	1.602	156.0	1.269
Italy	(L)	2.011	0.382	0.335	0.098	0.040	100.	0.110	0.425	9.988	8.136	0.465	0.082	0.040	0.087	0.065	6.305	0.051
Netherlands	(Fl)	18.36	3.490	3.056	0.893	0.369	912.9	1	3.876	91.16	74.26	4.248	0.745	0.364	0.798	0.591	57.56	0.468
Norway	(NKr)	47.38	9.005	7.883	2.303	0.952	2355	2.580	10	235.2	191.6	10.96	1.923	0.940	2.059	1.525	148.5	1.208
Portugal	(Es)	20.13	3.828	3.351	0.979	0.405	1001	1.097	4.251	100.	81.46	4.658	0.817	0.400	0.875	0.648	63.12	0.513
Spain	(Pta)	24.71	4.699	4.114	1.202	0.497	1229	1.346	5.210	122.8	100.	5.718	1.003	0.490	1.075	0.796	77.49	0.630
Sweden	(SKr)	43.22	8.217	7.194	2.101	0.869	2149	2.354	9.125	214.7	174.9	10	1.755	0.858	1.879	1.392	135.5	1.102
Switzerland	(SFr)	24.63	4.683	4.100	1.197	0.495	1225	1.342	5.200	122.3	99.66	5.699	1	0.489	1.071	0.793	77.22	0.628
UK	(£)	50.39	9.581	8.388	2.450	1.013	2506	2.745	10.64	250.3	203.9	11.68	2.046	1	2.161	1.623	158.0	1.285
Canada	(C$)	23.00	4.373	3.826	1.116	0.462	1144	1.253	4.856	114.2	93.06	5.322	0.934	0.456	1	0.741	72.11	0.586
US	($)	31.05	5.903	5.169	1.510	0.624	1544	1.691	6.556	154.2	125.6	7.184	1.261	0.616	1.350	1	97.35	0.792
Japan	(Y)	31.89	6.064	5.309	1.551	0.641	1586	1.737	6.734	158.4	129.1	7.380	1.295	0.633	1.387	1.027	100.	0.813
Ecu		39.21	7.456	6.528	1.907	0.788	1950	2.136	8.280	194.8	158.7	9.074	1.592	0.779	1.705	1.263	123.0	1

Danish Kroner, French Franc, Norwegian Kroner, and Swedish Kronor per 10; Belgian Franc, Yen, Escudo, Lira and Peseta per 100.

EMS EUROPEAN CURRENCY UNIT RATES

Oct 28	Ecu cen. rates	Rate against Ecu	Change on day	% +/- from cen. rate	% spread v weakest	Div. ind.
Netherlands	2.19672	2.14792	-0.00064	-2.22	5.80	-
Ireland	0.808628	0.792897	-0.000896	-1.97	5.53	13
Belgium	40.2123	39.4216	-0.0164	-1.97	5.52	14
Germany	1.94964	1.91611	-0.00075	-1.72	5.26	-
France	6.53883	6.56119	-0.00007	0.34	3.10	-3
Denmark	7.43679	7.49621	+0.00358	0.79	2.64	-5
Portugal	192.854	195.932	+0.145	1.60	1.82	-11
Spain	154.250	159.571	+0.14	3.45	0.00	-24
NON ERM MEMBERS						
Greece	264.513	295.308	-0.154	11.64	-7.34	-
Italy	1793.16	1960.56	+3.29	9.33	-5.38	-
UK	0.786749	0.783254	+0.000183	-0.44	3.91	-

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate.
(17/9/92) Sterling and Italian Lira suspended from ERM. Adjustment calculated by the Financial Times.

■ **D-MARK FUTURES** (IMM) DM 125,000 per DM

	Open	Latest	Change	High	Low	Est. vol	Open int.
Dec	0.6675	0.6629	-0.0050	0.6705	0.6614	24,464	67,503
Mar	0.6693	0.6642	-0.0050	0.6712	0.6625	215	4,585
Jun	0.6732	0.6648	-0.0049	0.6732	0.6645	1	615

■ **JAPANESE YEN FUTURES** (IMM) Yen 12.5 per Yen 100

	Open	Latest	Change	High	Low	Est. vol	Open int.
Dec	1.0362	1.0314	-0.0048	1.0375	1.0305	11,628	60,745
Mar	1.0425	1.0364	-0.0054	1.0454	1.0391	382	7,086
Jun	-	1.0549	-	-	-	279	710

■ **PHILADELPHIA SE £/$ OPTIONS** £31,250 (cents per pound)

Strike Price	Calls Nov	Calls Dec	Calls Jan	Puts Nov	Puts Dec	Puts Jan
1.550	7.28	7.45	7.66	-	0.20	0.51
1.575	4.84	5.31	5.72	0.03	0.54	0.99
1.600	2.63	3.46	4.01	0.27	1.18	1.70
1.625	1.02	2.07	2.63	1.11	2.22	2.80
1.650	0.26	1.11	1.68	2.78	3.69	4.26
1.675	0.03	0.53	0.99	5.02	5.59	6.04

Previous day's vol., Calls 5,861 Puts 11,176. Prev. day's open int., Calls 434,632 Puts 404,758

■ **SWISS FRANC FUTURES** (IMM) SFr 125,000 per SFr

	Open	Latest	Change	High	Low	Est. vol	Open int.
Dec	0.8000	0.7943	-0.0067	0.8044	0.7925	17,866	41,057
Mar	0.7985	0.7975	-0.0059	0.8075	0.7960	582	2,030
Jun	0.8100	0.8020	-	0.8100	0.8020	21	162

■ **STERLING FUTURES** (IMM) £62,500 per £

	Open	Latest	Change	High	Low	Est. vol	Open int.
Dec	1.6352	1.6244	-0.0120	1.6380	1.6220	9,229	46,368
Mar	1.6440	1.6200	-0.0146	1.6440	1.6200	37	629
Jun	-	1.6170	-	1.6320	1.6170	1	6

UK INTEREST RATES

LONDON MONEY RATES

Oct 28	Over-night	7 days notice	One month	Three months	Six months	One year
Interbank Sterling	6¼ - 4¼	5 7/16 - 5 5/16	5½ - 5⅜	6 - 5⅞	6½ - 6¼	7⅜ - 7¼
Sterling CDs	-	-	5 15/32 - 5 13/32	5 29/32 - 5 27/32	6 7/16 - 6⅜	7 5/16 - 7 3/16
Treasury Bills	-	-	5⅜ - 5¼	5⅞ - 5⅝	-	-
Bank Bills	-	-	5 7/16 - 5⅜	5 15/16 - 5 13/16	6⅜ - 6¼	-
Local authority deps.	5¼ - 5⅛	5¼ - 5⅛	5 9/16 - 5⅜	5⅞ - 5⅝	6 7/16 - 6 5/16	7 1/16 - 6 15/16
Discount Market deps	6½ - 4½	5⅛ - 4⅞				

UK clearing bank base lending rate 5¾ per cent from September 12, 1994

	Up to 1 month	1-3 month	3-6 months	6-9 months	9-12 months
Certs of Tax dep. (£100,000)	1½	4	3¾	3¼	3½

Certs of Tax dep. under £100,000 is 1½pc. Deposits withdrawn for cash ½pc.
Ave. tender rate of discount 5.4542pc. ECGD fixed rate Stg. Export Finance. Make up day Oct 31, 1994. Agreed rate for period Nov 26, 1994 to Dec 25, 1994, Schemes II & III 7.23pc. Reference rate for period Oct 1, 1994 to Oct 31, 1994, Schemes IV & V 5.985pc. Finance House Base Rate 6pc from Oct 1, 1994

■ **THREE MONTH STERLING FUTURES** (LIFFE) £500,000 points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec	93.55	93.58	+0.04	93.59	93.50	22212	144920
Mar	92.67	92.78	+0.12	92.80	92.64	34295	70814
Jun	92.04	92.15	+0.13	92.17	92.02	10632	58839
Sep	91.58	91.70	+0.10	91.71	91.57	5687	53593

Traded on APT. All Open interest figs. are for previous day.

■ **SHORT STERLING OPTIONS** (LIFFE) £500,000 points of 100%

Strike Price	Calls Dec	Calls Mar	Calls Jun	Puts Dec	Puts Mar	Puts Jun
9350	0.20	0.08	0.10	0.12	0.80	1.45
9375	0.06	0.03	0.07	0.25	1.00	1.67
9400	0.02	0.01	0.04	0.44	1.23	1.89

Est. vol. total, Calls 10726 Puts 12633. Previous day's open int., Calls 333575 Puts 201127

BASE LENDING RATES

	%		%		%
Adam & Company	5.75	Duncan Lawrie	5.75	* Roxburghe Guarantee Corporation Limited is no longer authorised as a banking institution.	8
Allied Trust Bank	5.75	Exeter Bank Limited	6.75	Royal Bk of Scotland	5.75
AIB Bank	5.75	Financial & Gen Bank	6.5	●Smith & Williamson Secs	5.75
●Henry Ansbacher	5.75	●Robert Fleming & Co	5.75	TSB	5.75
Bank of Baroda	5.75	Girobank	5.75	●United Bk of Kuwait	5.75
Banco Bilbao Vizcaya	5.75	●Guinness Mahon	5.75	Unity Trust Bank Plc	5.75
Bank of Cyprus	5.75	Habib Bank AG Zurich	5.75	Western Trust	5.75
Bank of Ireland	5.75	●Hambros Bank	5.75	Whiteaway Laidlaw	5.75
Bank of India	5.75	Heritable & Gen Inv Bk	5.75	Yorkshire Bank	5.75
Bank of Scotland	5.75	●Hill Samuel	5.75		
Barclays Bank	5.75	C. Hoare & Co	5.75		
Brit Bk of Mid East	5.75	Hongkong & Shanghai	5.75		
●Brown Shipley & Co Ltd	5.75	Julian Hodge Bank	5.75		
CL Bank Nederland	5.75	●Leopold Joseph & Sons	5.75	● Members of London Investment Banking Association	
Citibank NA	5.75	Lloyds Bank	5.75		
Clydesdale Bank	5.75	Meghraj Bank Ltd	5.75	* In administration	
The Co-operative Bank	5.75	Midland Bank	5.75		
Coutts & Co	5.75	* Mount Banking	8		
Credit Lyonnais	5.75	NatWestminster	5.75		
Cyprus Popular Bank	5.75	●Rea Brothers	5.75		

■ **OTHER CURRENCIES**

Oct 28	£	$
Hungary	172.622 - 172.881	106.360 - 106.480
Iran	2857.00 - 2860.00	1748.00 - 1750.00
Kuwait	0.4809 - 0.4820	0.2963 - 0.2968
Poland	37410.2 - 37481.9	23050.0 - 23080.0
Russia	4993.80 - 5003.80	3076.00 - 3082.00
U.A.E.	5.9552 - 5.9701	3.6715 - 3.6735

FT GUIDE to WORLD CURRENCIES
The FT Guide to World Currencies table can be found on the Emerging Markets page in Monday's paper.

LONDON STOCK EXCHANGE: Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Talisman system, they are not in order of execution but in ascending order which denotes the day's highest and lowest dealings.

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous days is given with the relevant date.

Rule 4.2(a) stocks are not regulated by the International Stock Exchange of the United Kingdom and the Republic of Ireland Ltd.

‡ Bargains at special prices. ϕ Bargains done the previous day.

British Funds, etc

Treasury 13¾% Stk 2000/03 - £121 $\frac{3}{16}$
Exchequer 10½% Stk 2005 - £110$\frac{15}{32}$ (25Oc94)

Corporation and County Stocks

London County 2½% Cons Stk 1920(or after) - £25½
Dudley Metropolitan Borough Council 7% Ln Stk 2019 (Reg(F/P) - £78¾ (21Oc94)

UK Public Boards

Commonwealth-Government

Foreign Stocks, Bonds, etc-(coupons payable in London)

Sudwestdeutsche Landbank CapMktsPLC 8.25% Gtd Bds 2003 (Br DM Var) - DM85.49 (26Oc94)
Svensk Exportkredit AB 8.375% Nts 1996(BrS5000&100000) - $101⅞ (24Oc94)
Sweden(Kingdom of) 8¾% Bds 1996(BrS5000) - £101 (21Oc94)
TSB Group PLC 12% Subord Bds 2011 (Br £10000&100000) - £114.7 (26Oc94)
Tarmac Finance (Jersey) Ld 8½% Cnv Cap Bds 2006 (Reg £1000) - £95½ ¾ (25Oc94)
Tate&Lyle IntFin PLC/Tate&Lyle PLC 5¾% T&LItFnGdBds 2001(Br) W/WtsT&LPLC - £84 (21Oc94)

RTZ Canada Inc 7¾% Gtd Bds 1998(Br£5000&100000) - £93 ½
Reed Elsevier Inc 7½% Gtd Bds 1998(BrS Vars) - $97.3 98
Royal Bank of Scotland PLC 8⅝% Bds 2004(Br£Vars) - £81.1
Royal Bank of Scotland PLC 10⅝% Subord Bds 1998 (Br£5000&25000) - £104$\frac{3}{16}$ (21Oc94)
Sainsbury (J.)(Channel Islands)Ld 8½%CnvCapBds 2005(Br £5000&100000) - £124 (21Oc94)
Sincere Navigation Corporation 3.75% Bds 2003 (Br $10000&100000) - $107 100 (21Oc94)
South West Water PLC 10⅝% Bds 2012 (Br £10000&100000) - £109 (21Oc94)

Sterling Issues by Overseas Borrowers

Listed Companies(excluding Investment Trusts)

Bass PLC ADR (2:1) - $17.53ϕ
Bass PLC 10⅞% Deb Stk 2016 - £110¾ (25Oc94)
Bass PLC 4½% Uns Ln Stk 92/97 - £87½ (26Oc94)
Bass PLC 7¾% Uns Ln Stk 92/97 - £96 (26Oc94)
Bass Investments PLC 7⅝% Uns Ln Stk 92/97 - £95 ½ (25Oc94)
Bergesen d-y AS "B" Non Vtg Shs NK2.5 - NK142ϕ
Birmingham Midshires Building Soc 9¾% Perm Int Bearing Shs £1000 - £85 ¾
Blackwood Hodge PLC 4.7% Cum Prf £1 - 37 (25Oc94)
Blackwood Hodge PLC 8% Cum Red Prf £1 - 45 (25Oc94)
Blue Circle Industries PLC ADR (1:1) - $4.69

Investment Trusts

Miscellaneous Warrants

USM Appendix

Rule 4.2(e)

Crowther(John Edward) Hldgs 5½% Cum Prf £1 - £0.85 (25Oc94)
Dalkeith Inns PLC 10p - £0.18
Dawson Hldgs PLC Ord 10p - £5.2
De Gruchy (Abraham) Co Ltd Ord 20p - £1.19
English Churches Housing Group Ld 2½% Ln Stk - £12 (25Oc94)
Enterprise Computer Hldgs PLC 10% Uns Ln Stk 92/98 - £29
Everton Football Club Co Ld Ord Stk £1 - £2450 (25Oc94)
Faxcast Broadcast Corporation PLC Ord 5p - £0.59 0.6
Francistown Min&Ex(Jersey)Ld Ord $0.01 - $2.7 (26Oc94)
Gander Holdings PLC Ord 1p - £0.0675 (25Oc94)
Graduate Appointments PLC Ord 1p - £0.17 (25Oc94)
Greenstar Hotels PLC Ord 10p - £0.27
Guernsey Gas Light Co Ld Ord 10p - £1.05
I E S Group PLC Ord 10p - £0.7 (21Oc94)
Just Group PLC Ord 1p - £0.0325 (24Oc94)

Winchester Multi Media PLC Ord 5p - £0.7

RULE 2.1 (a)(v)

Bargains marked in securities (not falling within Rule 2.1 (a)(i)) where the principal market is outside the UK and Republic of Ireland .

Assoc Manganese Mines FZ720(24 10)
Bolse Cascade Corp $26⅞ϕ$26¾
Brush Wellman £10⅞(24.10)
Cape Range Oil 20.0(26.10)
City Developments S$8.70,8.90
Community Psychiatric Centres $10¼
Dainippon Scrn Man Y775.9033
Devex 30ϕ(24.10)
Futuris 48
Gen Secs Inv S$1 942456(24 10)
Heoma Nth West A$0.383(24.10)
Kalgoorlie Res 0.5(26 10)
Kulim Malaysia Ord M$6.3(26 10)
Malayan Credit S$3.707(24.10)
Murray & Roberts Hldgs FZ95.318416ϕ,97 258ϕ(24.10)
Nat Electronics Hldgs 3.0(25.10)
Oil Search 45
Palabora Mining FZ71,60,71.75(24.10)
Playmates Hldgs HK$3 30(25.10)
Regal Hotels Hldgs HK$1.844(25.10)
Samantha Hldgs Berhad A$4.38(26.10)
Seagull Energy Corp $$23¾ϕ(24.10)
Storer Comms SK434 3(21.10)

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FT-SE ACTUARIES INDICES

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LONDON STOCK EXCHANGE

MARKET REPORT

US influences take equities higher in London

By Terry Byland, UK Stock Markets Editor

The end of the week brought a sudden swing to the positive side of the equity market balance following a strong recovery in the dollar in the wake of the latest data on the US economy. Backed up by gains in British government bonds and in stock index futures, and finally by a burst of strength in early deals on Wall Street, the FT-SE 100 Share Index surged ahead in late afternoon.

At the close, the FT-SE Index was 54.2 up at 3,083.8, only a touch off the day's high and spurred on by a December contract on the Footsie which was moving above the 3,100 mark. The Footsie moved through a range of nearly 60 points, dipping to the 3,024 area at mid-session when the market became nervous ahead of the US economic statistics. In the event, US markets took the view that the unexpectedly large growth of 3.4 per cent in US gross domestic product in the third quarter, balanced by unexpectedly low growth in tha deflator figures, could be seen as very favourable for the economy and the securities markets.

A powerful upswing in the dollar, together with a gain of nearly 50 points on the Dow Industrial Average in UK hours, sent the London market racing ahead. Dollar stocks led the way, the strongest gain coming in Reuters, the global electronic business information group, which also benefited from its trading report. Oil shares, with the big names on the brink of the reporting season, were also in demand. Insurance shares continued to brush off the report on personal pensions from the Securities and Investments Board.

The market opened higher with much of the impetus coming from a dramatic move in the defence industry when GEC launched a £531.7m counter-bid for VSEL, the submarine builder, and later bought more than 13 per cent of VSEL's equity in the stock market.

GEC shares rose sharply on its move, which tops the existing British Aerospace offer for VSEL, although this still has the support of the VSEL board. But Aerospace shares fell, reducing the value of its share offer, and the market appeared still uncertain of the outcome of the bid struggle.

At last night's close, the Footsie was showing a gain of around 1.8 per cent over the week, but virtually all this came after 3pm yesterday. Trading volumes have been drying up for the past month and marketmakers paid the price yesterday when the suddan demand caught them without stock on their books.

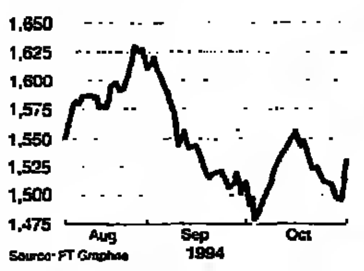
They responded by raising share prices quickly but were still obliged to deal and then search for stock in the market to meet their commitments.

Seaq volume for the day totalled 508.9m shares, barely changed from the previous session and a bargains total of just over 22,000 remained well below daily averages for the past two years. Traders said that the institutions had stayed out of the market, leaving marketmakers to scramble for stock.

The FT-SE Mid 250 Index rose by 21.5 to 3,501.6, somewhat left behind by the focus on the blue chip issues which are closely linked to trading in the stock index futures. Turnover in non-Footsie stocks, which are widely represented in the FT-SE Mid 250 Index made up only about 56 per cent of business yesterday, below recent daily averages.

Dealers sounded unconvinced by the sudden upturn in the market. Retail issues were easier against the general trend on underlying worries that, in spite of the favourable response to the latest US economic data, the chances of a rise in UK base rates before Christmas are increasing as the domestic economy shows signs of stronger growth than the Bank of England, and the chancellor of the exchequer would like at this stage of the recovery cycle.

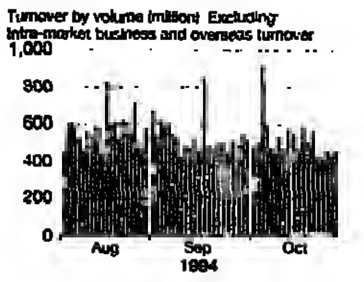
FT-SE-A All-Share Index



Source: FT Graphite

Equity Shares Traded

Turnover by volume (million). Excluding intra-market business and overseas turnover



■ Key indicators

Indices and ratios		
FT-SE Mid 250	3501.8	+21.5
FT-SE-A 350	1544.3	+23.1
FT-SE-A All-Share	1528.82	+21.47
FT-SE-A All-Share yield	3.94	(4.00)
FT Ordinary index	2345.1	+34.3
FT-SE-A Non Fins p/e	18.79	(18.54)
FT-SE 100 Fut Dec	3101.0	+59.0
10 yr Gilt yield	8.76	(8.85)
Long gilt/equity yld ratio:	2.23	(2.22)

FT-SE 100 Index	
Closing index for Oct 28	3083.8
Change over week	+51.0
Oct 27	3029.6
Oct 26	2999.9
Oct 25	3000.9
Oct 24	3029.1
High*	3083.9
Low*	2985.8

*Intra-day high and low for week

TRADING VOLUME

■ Major Stocks Yesterday

	Vol. 000s	Closing price	Day's change		Vol. 000s	Closing price	Day's change
3i	230	322	+3	Lonrho	1,800	134½	+1
ASDA Group†	6,700	61½		Lucas	2,000	191	-1
Abbey National†	2,000	421	+8½	MEPC†	631	430	+4
Albert Fisher	7,100	43½	-½	MFI	213	135	-2
Allied Domecq†	839	604	+7	Manweb	339	803	+16
Anglian Water	216	541	+8	Marks & Spencer†	2,400	416	-1
Argos	187	325½	+½	Midlands Elect.	222	762	+6
[illegible]				[illegible]			
IMI	2,000	300	+5	Utd. Newspapers	1,000	512	+4
ICI†	1,400	793½	+7	Vodafone†	5,300	211½	+8½
Inchcape†	622	438	+4	Warburg (SG)†	284	606	+1
Johnson Matthey	160	562	+8	Wellcome†	826	639½	+7½
Kingfisher†	1,500	473	-4	Welsh Water	549	633	+8
Kwik Save	123	555	+9	Wessex Water	470	611	+6
Ladbroke†	881	152	+8	Whitbread†	458	557	+3
Land Securities†	1,100	611	+11	Williams Hldgs.†	916	344	+2
Laporte	631	688	-1	Willis Corroon	1,500	144	+2
Legal & General†	1,300	446½	+8½	Wimpey	400	136	-2
Lloyds Abbey	983	360½	+12½	Wolseley†	283	769	+12
Lloyds Bank†	2,800	569	+16	Yorkshire Elect.	790	715	
LASMO	2,700	149		Yorkshire Water	101	534	+4
London Elect.	648	706	+8	Zeneca†	1,500	849	+3½

Based on trading volume for a selection of major securities dealt through the SEAQ system yesterday until 4.30pm. Trades of one million or more are rounded down. † Indicates an FT-SE 100 Index constituent.

EQUITY FUTURES AND OPTIONS TRADING

Stock index futures advanced strongly for tha second day running with the latest session underpinned by a clear improvement in trading volume, *writes Jeffrey Brown.*

The FT-SE 100 December contract was 3,101 at the 4:10 official close, a gain of 59 points, and of 108 points in two days. The premium to the cash market was 18 points with fair value premium around 15 points.

Traders said the quality of business improved dramatically allowing larger contract numbers to be dealt. There were 18,779 contracts, against 11,044 on Thursday.

■ FT-SE 100 INDEX FUTURES (LIFFE) £25 per full index point (APT)

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec	3056.0	3101.0	+59.0	3112.0	3023.0	18746	54015
Mar	3058.0	3121.5	+59.5	3110.5	3058.0	30	3829
Jun		3143.0	+57.5			0	60

■ FT-SE MID 250 INDEX FUTURES (LIFFE) £10 per full index point

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec	3500.0	3540.0	+70.0	3540.0	3500.0	54	4216

■ FT-SE MID 250 INDEX FUTURES (OMLX) £10 per full index point

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec		3535.0					0

All open interest figures are for previous day. † Exact volume shown.

■ FT-SE 100 INDEX OPTION (LIFFE) (*3083) £10 per full index point

	2900 C	2900 P	2950 C	2950 P	3000 C	3000 P	3050 C	3050 P	3100 C	3100 P	3150 C	3150 P	3200 C	3200 P	3250 C	3250 P
Nov	207½	8½	163	13	119½	20½	82	34½	52½	55½	30½	86	15½	122½	7½	166½
Dec	224	23½	184	33	148½	47	114	64	85	86	62½	114	42½	145	29	182
Jan	246½	37	211½	51½	175½	65½	144	85	114½	105½	88½	129½	66	158	48½	192½
Feb	261	47½	224½	60	188½	74	159½	94½	130½	115	105½	141½	84	170½	64	202
Jun†	305½	73½			240½	107			180½	147			136½	202		

Calls 8,223 Puts 6,822

■ EURO STYLE FT-SE 100 INDEX OPTION (LIFFE) £10 per full index point

	2925 C	2925 P	2975 C	2975 P	3025 C	3025 P	3075 C	3075 P	3125 C	3125 P	3175 C	3175 P	3225 C	3225 P	3275 C	3275 P
Nov	182½	9½	139½	16½	101	28	68½	43	40½	67	21½	97½	10½	138	8	182
Dec	203½	29	165	40	129½	54½	98½	73	72	95½	49½	123	32	155	20	192½
Jan	221½	37½			153	67			99	111½			59½	171		
Mar	251	82½			185	114½			130	133½			86	187		
Jun†	292	82½			228	114½			171	154			124	202½		

Calls 2,387 Puts 7,610 * Underlying index value. Premiums shown are based on settlement prices. † Long dated expiry months.

■ EURO STYLE FT-SE MID 250 INDEX OPTION (OMLX) £10 per full index point

	3400	3450	3500		3550		3600		3650	3700	3750
Oct			111½	74	86½	98½	65½	127			

Calls 0 Puts 0 Settlement prices and volumes are taken at 4.30pm.

FT-SE-A INDICES - LEADERS & LAGGARDS

Percentage changes since December 31 1993 based on Friday October 28 1994

[illegible]		[illegible]		[illegible]	-12.03
[illegible]		[illegible]		[illegible]	-12.06
[illegible]		[illegible]		[illegible]	-13.97
Printing, Paper & Pckg	+7.16	Spirits, Wines & Ciders	-7.89	Gas Distribution	-14.08
Engineering, Vehicles	+4.79	Gen Manufacturers	-8.19	Textiles & Apparel	-14.34
Extractive Industries	+4.09	Pharmaceuticals	-8.30	Retailers, General	-14.82
Electricity	+0.18	Health Care	-8.80	Telecommunications	-14.89
Engineering	-0.40	Services	-8.86	Distributors	-15.10
FT Gold Mines Index	-0.85	FT-SE-A All-Share	-9.05	Household Goods	-16.07
Retailers, Food	-1.27	Consumer Goods	-9.17	Financials	-16.70
Chemicals	-1.42	FT-SE-A 350	-9.32	Building Materials	-17.21
Leisure & Hotels	-1.61	Utilities	-9.71	Banks	-17.28
Breweries	-2.09	Water	-9.75	Insurance	-17.48
Media	-3.10	FT-SE 100	-9.78	Property	-18.41
FT-SE SmallCap ex IT	-3.53	Investment Trusts	-9.97	Building & Construction	-20.51
FT-SE SmallCap	-4.84	Support Services	-11.08	Tobacco	-20.80
Food Manufacturers	-7.24	Life Assurance	-11.23	Merchant Banks	-21.33

FT - SE Actuaries Share Indices — The UK Series

	Oct 28	Day's chge%	Oct 27	Oct 26	Oct 25	Year ago	Div. yld%	Earn. yld%	P/E ratio	Xd adj. ytd	Total Return	1994 High		1994 Low		Since Compilation High		Since Compilation Low	
FT-SE 100	3083.8	+1.8	3029.6	2999.9	3000.9	3171.8	4.11	7.04	16.77	110.69	1178.05	3520.3	2/2	2876.6	24/6	3520.3	2/2/94	986.9	23/7/84
FT-SE Mid 250	3501.8	+0.6	3480.1	3467.2	3474.6	3528.1	3.58	5.82	20.73	108.80	1307.44	4152.8	3/2	3383.4	27/6	4152.8	3/2/94	1379.4	21/1/86
FT-SE Mid 250 ex Inv Trusts	3498.5	+0.6	3479.1	3466.1	3474.9	3527.1	3.74	6.30	19.30	113.37	1303.64	4160.7	19/1	3382.4	27/6	4160.7	19/1/94	1378.3	21/1/86
FT-SE-A 350	1544.3	+1.5	1521.2	1506.4	1509.5	1580.9	3.99	6.77	17.53	53.77	1198.26	1779.3	2/2	1451.3	24/6	1779.3	2/2/94	664.5	14/1/86
FT-SE SmallCap	1777.83	+0.2	1774.15	1774.10	1775.97	1805.69	3.33	5.00	25.24	48.85	1363.01	2084.98	4/2	1771.84	7/10	2084.98	4/2/94	1363.79	01/12/92
FT-SE SmallCap ex Inv Trusts	1749.04	+0.1	1748.65	1747.44	1749.78	1788.05	3.54	5.56	23.00	50.71	1364.08	2060.72	4/2	1743.68	10/10	2060.72	4/2/94	1363.79	31/12/92
FT-SE-A ALL-SHARE	1529.82	+1.4	1508.35	1496.60	1497.74	1585.37	3.94	6.64	17.92	52.50	1207.95	1764.11	2/2	1445.85	24/6	1764.11	2/2/94	61.92	13/12/74

■ FT-SE Actuaries All-Share

	Oct 28	Day's chge%	Oct 27	Oct 26	Oct 25	Year ago	Div. yld%	Earn. yld%	P/E ratio	Xd adj. ytd	Total Return	1994 High		1994 Low		Since Compilation High		Since Compilation Low	
10 MINERAL EXTRACTION(18)	2752.71	+2.3	2691.65	2662.10	2648.84	2486.00	3.34	4.97	25.43	82.63	1108.35	2802.01	5/9	2439.96	31/3	2802.01	5/9/94	980.20	19/2/86
12 Extractive Industries(4)	3867.96	+0.2	3860.09	3803.32	3833.10	3169.20	3.32	5.31	23.31	98.62	1007.33	4107.55	2/2	3656.68	12/7	4107.65	2/2/94	1000.00	31/12/85
15 Oil, Integrated(3)	2729.13	+2.8	2653.56	2626.38	2606.44	2445.80	3.49	5.51	22.60	86.98	1123.08	2762.46	5/9	2349.96	30/3	2762.46	5/9/94	882.30	20/2/86
16 Oil Exploration & Prod(11)	1889.27	+0.9	1881.87	1870.33	1859.94	1990.80	2.19	‡	‡	38.03	1098.86	2099.43	27/4	1784.40	31/3	3944.10	8/8/90	680.30	28/7/86
20 GEN MANUFACTURERS(267)	1856.08	+0.9	1838.63	1831.67	1834.21	1931.68	4.11	5.16	23.43	66.87	948.98	2232.68	2/2	1831.67	26/10	2232.68	2/2/94	988.10	14/1/86
21 Building & Construction(33)	1039.47	-0.1	1040.35	1040.88	1041.16	1169.80	3.09	5.34	24.71	36.06	819.10	1588.16	8/2	1017.84	6/10	2125.68	16/7/87	538.30	9/9/92
22 Building Matls & Merchs(32)	1807.86	+0.0	1797.11	1784.76	1790.73	1871.10	4.12	5.36	22.80	66.80	856.35	2393.22	24/1	1783.72	7/10	2393.22	24/1/94	854.60	9/9/92
[illegible]																			
68 Water(13)	1879.76	+0.7	1866.34	1842.93	1846.13	1880.80	5.17	12.58	6.66	69.36	939.65	2126.79	3/2	1560.71	27/6	2126.79	3/2/94	924.70	1/5/90
69 NON-FINANCIALS(637)	1651.65	+1.4	1629.39	1617.10	1616.71	1673.05	3.92	6.39	18.79	55.52	1170.67	1870.38	2/2	1562.89	24/6	1870.38	2/2/94	63.49	13/12/74
70 FINANCIALS(104)	2177.20	+1.6	2138.20	2116.07	2109.49	2346.90	4.45	9.00	12.66	89.55	866.47	2737.12	4/2	2034.74	24/6	2737.12	4/2/94	972.20	23/1/86
71 Banks(10)	2861.88	+2.0	2805.28	2784.89	2760.81	2903.50	4.22	9.93	11.53	116.39	880.46	3601.88	4/2	2615.77	8/7	3601.55	4/2/94	980.90	23/1/86
73 Insurance(17)	1252.36	+2.7	1219.58	1212.21	1206.10	1484.00	5.40	9.40	12.17	61.61	864.87	1683.81	24/1	1153.82	24/6	1624.20	29/12/89	870.90	26/8/92
74 Life Assurance(6)	2415.19	+2.2	2363.20	2337.30	2288.89	2801.20	5.29	7.72	15.80	127.53	935.09	2921.97	19/1	2180.81	1/6	2921.37	19/1/94	987.70	23/1/86
75 Merchant Banks(6)	2694.97	+1.4	2646.97	2647.53	2680.31	3270.20	3.87	12.28	9.48	87.76	810.76	3761.29	2/2	2582.02	4/10	3761.29	2/2/94	982.60	27/1/86
77 Other Financial(24)	1821.84	+0.3	1816.70	1792.84	1785.91	1796.20	4.00	8.55	13.96	63.31	977.06	2279.36	4/2	1782.89	4/7	2279.36	4/2/94	666.30	1/10/90
79 Property(41)	1446.84	+0.5	1439.38	1441.99	1441.38	1722.40	4.21	4.48	28.01	43.66	828.70	1886.66	4/2	1437.85	5/10	2132.40	5/9/89	718.49	16/9/92
80 INVESTMENT TRUSTS(124)	2727.20	+1.0	2699.54	2690.49	2688.99	2723.20	2.26	1.97	61.21	54.10	817.42	3184.31	2/2	2618.98	27/6	3184.31	2/2/94	977.29	14/1/86
89 FT-SE-A ALL-SHARE(865)	1529.82	+1.4	1508.35	1496.00	1497.74	1585.37	3.94	6.64	17.92	52.50	1207.35	1764.11	2/2	1445.85	24/6	1764.11	2/2/94	61.92	13/12/74

■ Hourly movements

	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.10	High/day	Low/day
FT-SE 100	3041.3	3038.0	3033.9	3031.4	3032.2	3033.0	3048.4	3067.0	3083.5	3083.9	3024.7
FT-SE Mid 250	3487.5	3485.8	3489.6	3487.9	3487.0	3488.9	3487.3	3493.1	3500.4	3501.6	3483.3
FT-SE-A 350	1528.4	1525.6	1523.8	1522.6	1522.8	1523.1	1528.4	1536.9	1544.1	1544.3	1519.6

Time of FT-SE 100 High: 4.28pm Low: 12.38pm

■ FT-SE Actuaries 350 Industry baskets

	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.10	Close	Previous	Change
Bldg & Cnstrcn	981.6	982.0	980.7	979.1	977.7	974.5	975.3	974.6	977.1	977.1	978.6	-1.5
Pharmaceuticls	2939.6	2935.3	2921.3	2913.0	2915.5	2914.6	2922.9	2938.9	2959.4	2964.4	2928.2	+31.2
Water	1077.3	1881.5	1883.8	1879.6	1878.0	1875.1	1876.0	1876.5	1879.0	1879.3	1864.6	+14.7
Banks	2844.1	2844.9	2841.4	2841.8	2841.0	2843.2	2857.5	2878.7	2894.5	2897.8	2840.3	+57.5

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
FT-SE Total Return Indices	31/12/92	1000.00	FT-SE Mid 250 ex Inv Trusts	31/12/85	1412.60
FT-SE SmallCap	31/12/92	1363.79	FT-SE-A 350	31/12/85	682.94
FT-SE SmallCap ex Inv Trts	31/12/92	1363.79	FT-SE 100	31/12/83	1000.00
FT-SE Mid 250	31/12/85	1412.00	Electricity	31/12/90	1000.00
Water	29/12/89	1000.00	UK Gilts Indices	31/12/75	100.00
Non-Financials	10/4/62	100.00	Index-Linked	30/4/82	100.00
FT-SE-A All-Share	10/4/62	100.00	Debs and Loans	31/12/77	100.00
All Other	31/12/85	1000.00			

The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 Indices are compiled by the London Stock Exchange and the FT-SE Actuaries All-Share Index and the FT-SE SmallCap Index are compiled by The Financial Times Limited, both in conjunction with the Institute of Actuaries and the Faculty of Actuaries under a standard set of ground rules. © The International Stock Exchange of the United Kingdom and Republic of Ireland Limited 1994. © The Financial Times Limited 1994. All rights reserved. "FT-SE" and "Footsie" are joint trade marks and service marks of the London Stock Exchange and The Financial Times Limited. Auditor: The WM Company. † Sector P/E ratios greater than 80 are not shown. ‡ Values are negative. The Oil Exploration & Production Total Returns Index base value is 1047.33 as at 31/12/93. DELETION: Plantsbrook (91).

Defence sector on alert

GEC's early morning delivery of an all cash offer worth 1400p a share for submarines group VSEL and subsequent purchase of some 14 per cent of the shares left the stock market with plenty to chew on over the weekend. News of the counter bid pushed VSEL up by 72 to 1395p in turnover of 12m, sent Vosper Thornycroft ahead by 14 to 71p but left British Aerospace languishing at 459p, a decline of 16.

The initial reaction in the stockmarket was to talk of the bid in terms of a knock-out blow. Lord Weinstock's offer tops the all share bid from BAe by 144p and outstrips BAe's cash alternative by 160p. But this approach softened later as BAe showed itself determined to attack the GEC deal.

It opted to play the monopolies card, declaring the offer from GEC as posing competition concerns. This led to speculation among some analysts that BAe might just decide to increase the value of its all-share terms.

But the sheer power of GEC's finances – its cash balances of £3bn exceed BAe's market capitalisation by around £1.2bn – were the main talking point yesterday as GEC itself gained 8 to 278½p.

Brian Newman, electronics specialist at stockbroker Henderson Crosthwaite said "GEC's market raid effectively removes the financial engineering aspect of BAe's bid for VSEL." He said GEC will not relinquish its shareholding, and that will prevent BAe from using its tax losses.

M & S weak

Leading stores group Marks and Spencer was restrained by a mix of technical and fundamental factors and failed to benefit from the market bounce.

Expiry of options early in the week apparently prompted an influx of stock and several big blocks of shares were said to be overhanging the market. The weekly in-house magazine from rival John Lewis, published yesterday, pointed to relative weakness in sales and there was a feeling the Lewis figures reflected a wider trend.

The shares shed a penny to 416p and other stores groups were also weak. Kingfisher slid 4 to 473p against suspicion that the company was beginning to talk quietly and cautiously about Woolworth's trading. Sears softened a half to 108½p.

Reuters bought

News and electronic information group Reuters Holdings was one of the strongest performers in the FT-SE 100 as a good reception for the trading figures combined with the impact of a strong dollar to send the shares spurting forward 6 per cent on the day.

The market appreciated news that revenue for the third quarter rose 25 per cent to £590m against the same period last year. Following warnings from the company, the market had been expecting a slowdown in orders, which had not materialised because of a reporting time lag. As such the figures were above many forecasts. But the company is also a big dollar earner and some of the rise – 30 to 477p – reflected the US currency's move.

Scottish Hydro called the expected meeting of analysts but surprised the market by rejecting Offer's regulatory review of the Scottish generators, thereby inviting a reference to the Monopolies & Mergers Commission.

Analysts said Hydro gave an impressive defence of its position and picked up hints of the possibility of the MMC taking a hard look at rates of return from the English recs, post their regulatory review, as it investigates Hydro's claims of underfunding of its business. Dealers were alarmed at the possibility that the MMC might reconsider its review.

Hydro shares initially fell to 307p on the news, but later rallied to close 5 higher at 318p.

Media group Carlton Communications built on recent strong performance as the shares responded to consideration of a trading statement from Rank Organisation. Both companies have video duplication businesses and Rank said its operation was having a much improved year, with volumes up almost 50 per cent and margins widening. Carlton's video and audio production and distribution division accounted for more than half its profits for the six months to end-March and analysts are hoping for good news when the company publishes full-year figures in December. Carlton shares jumped 28 to 878p but Rank was hit by profit taking despite a positive statement and the shares fell 10½ to 399p.

Good figures from US rival Omnicom helped advertising group WPP improve 2 to 111p.

The oil majors were in the vanguard of the market's advance, with specialists highlighting the sector's obvious exposure to a strengthening dollar. BP hit an all-time high in dollar terms, as US institutions chased the stock in the wake of excellent third quarter results from the leading US oil companies, including Shell Oil. At the close BP were 13 higher at 428½, just short of the peak 430p reached last month.

BP is scheduled to announce third quarter numbers on Tuesday. Specialists also said there is an even chance that the dividend may be increased, with a rise of up to 12 per cent a share a possibility.

Shell leapt 19½ to 731p as the market warmed to its US subsidiary's figures and subsequent broker recommendations.

Speculation has returned that Unigate, the milk producer, might be poised to sell its 35 per cent stake in Nutricia, the Dutch group. The talk was fuelled yesterday by reports that Unigate was holding a press conference. The shares jumped 9 to 346p but it transpired that the conference was merely an internal meeting and the stock ticked back to only a penny firmer at 338p.

BAT Industries was initially restrained by news that the Federal Trade Commission would attempt to block the company's £600m takeover of American Tobacco. The shares were off 5 at one stage but as one of the stocks most sensitive to US currency and market movements it recovered to close 7½ better at 439½p.

Clothing manufacturer Campari fell 11 to 24p after interim losses of £3.96m against £3.09m loss last time.

Turnover of 10m in Standard Chartered was the fifth highest this year and reflected continued heavy buying from one of tha London market's leading marketmakers; the shares edged up 4 to 290p.

NEW HIGHS AND LOWS FOR 1994

NEW HIGHS (22).

GILTS (1) BUILDING & CNSTRN (2) Vibroplant, Wiggins, DISTRIBUTORS (2) Adam & Harvey, Ideal Hardware, ELECTRNC & ELECT EQUP (2) Magnum Power, Rademec, ENGINEERING (1) VSEL, EXTRACTIVE INDS (5) AFMIN, Eastern Transvaal, Geelis, Johannesburg, West Rand, HOUSEHOLD GOODS (1) Osborne & Little, INVESTMENT TRUSTS (1) INVESTMENT COMPANIES (1) OIL EXPLORATION & PROD (1) Gulfstream, OTHER FINANCIAL (2) Edinburgh Fd. Mngrs., Jupiter Tyndall, OTHER SERVS & BUSNS (1) Anglo-East Plants., SUPPORT SERVS (1) Reliance Security, TEXTILES & APPAREL (1) Chamberlain Phipps.

NEW LOWS (68).

GILTS (1) BANKS (2) Mitsubishi, Sumitomo, BUILDING & CNSTRN (3) AMEC, Do 6.5p Prf., Boot (H), BLDG MATLS & MCHTS (6) Bardon, Hewitt Group, Heywood Williams Prf., Marley, Romus, Tilon, CHEMICALS (1) Engelhard, DISTRIBUTORS (3) Abacus, Lex Service, Wholesale Fittings, DIVERSIFIED INDLS (2) Powell Duffryn, Suter Wts. 93/04, ELECTRNC & ELECT EQUP (3) Blick, Control Techniques, Gestetner, ENGINEERING (3) Concentric, Johnson & Firth, OMI Intl., HEALTH CARE (2) AAH, Haemocell, HOUSEHOLD GOODS (2) Cornwell Parker A, Fine Decor, INSURANCE (3) Aon, Heath (CE), Lowndes Lambert, INVESTMENT TRUSTS (8) LEISURE & HOTELS (3) Airtours, Do 6¾p Prf., Tring Intl., MEDIA (6) Intereurope Tech., Portsmouth & Sunderland, Sleepy Kids, Trinity Intl., WMGO, Do Wrts., OIL EXPLORATION & PROD (1) Oceonics, OTHER FINANCIAL (3) Cattle's, Intermediate, Union, PHARMACEUTICALS(1) Grampian, PRTNG, PAPER & PACKG (1) AG, PROPERTY (4) Chesterfield 5¼pc Prf., Cleveland Trust, London & Metropolitan, Trafford Park, RETAILERS, FOOD (1) Nurdin & Peacock, RETAILERS, GENERAL (3) Kleeneze, Liberty, Signet, SUPPORT SERVS (3) ISS–Int B, JBA, Stat-Plus, TEXTILES & APPAREL (2) Campari Intl., Sherwood, AMERICANS (3) Dun & Bradstreet, Honeywell, Rockwell.

■ CHIEF PRICE CHANGES YESTERDAY

London (Pence)

Rises			
Aviva Pet	60	+	7
Bank of Scotland	205	+	8½
Benchmark Grp	33	+	5
Biocure	28	+	7
Danka Business	305	+	17
GEC	278	+	7½
Hays	286	+	11
Magnum Power	79	+	8
Petroceltic	29	+	4
Phonelink	230	+	11
Reliance Security	159	+	7
Reuters	477	+	30
SEET	50	+	4
Shiloh	152	+	7
Tams (John)	80	+	8
VSEL	1395	+	72
Falls			
Aminex	57	–	5
Apollo Metals	88	–	5
Campari Int	24	–	11
Cornwell Pkr A	99	–	9
OMI Int	43	–	8
Pascoe's	33	–	7
Proteus Int	235	–	25

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

1/2 hour period ending	Pool purchase price £/MWh	Pool purchase price £/MWh	Pool selling price £/MWh
0030	18.83	8.60	9.60
0100	35.90	9.57	9.57
0130	36.90	9.60	9.60
0200	35.90	9.87	9.87
0230	18.57	9.67	9.67
0300	16.68	9.67	9.67
0330	9.37	9.64	9.64
0400	8.22	9.57	8.57
0430	8.25	9.57	9.57
[illegible]			

COMMODITIES AND AGRICULTURE

WEEK IN THE MARKETS

Selling trims metal price rises

London Metal Exchange base metal contracts mostly survived a wave of pre-weekend profit-taking yesterday to and with most of the week's earlier impressive gains intact.

The only substantial loser on the day was aluminium, which closed $14.25 down at $1,827.50 a tonne for three months delivery. But that was still $74.25 up on the week. In a hectic morning session the price had first soared to a fresh four-year high of $1,870 a tonne, helpad by naws of another big fall in LME warehouse stocks, and then tumbled to $1,810, before bouncing to $1.853. The sellers returned after lunch, but not insufficient force to spark off the major "correction" some pundits have forecast following this month's 15 per cent surge.

Mr Tony Bird of the Anthony Bird Associates consultancy warned this week that the multilateral agreement to curb aluminium production could collapse "quickly and chaotically" if the price rise continued unabated. Mr Ted Arnold, analyst at the Merrill Lynch financial services group, predicted meanwhile that some trade delegates would be arguing for capacity re-starts when signatories to the agreement meet next month. That did not mean the agreement was about to collapse, he said, "but it does suggest that it is starting to crumble well before its end-1995 deadline".

This sort of talk brought a response yesterday from Alcan, one of North America's biggest producers of the metal, which cut its output by an annual 156,000 tonnes earlier this year. "The fundamentals dictated the cutbacks; the fundamentals will dictate restarts," Mr Jacques Bougie, chief executive, told reporters after a presentation at the Alumitech '94 conference in Atlanta, Georgia. Stocks remained too high to permit a restart of capacity, he insisted.

Copper was also helped early on by news of a further fall in stocks, though much more modest than aluminium's. The three months price shot to a four-year high of $2,690 a tonne bafore the profit-taking trimmed it to $2,647. It closed at $2,658.50, up $15.50 on the day and $102 on the week. The earlier strengthen of the market had been fuelled by speculative buying, notably from US investment funds.

Zinc also attracted the attention of speculators as its LME stocks fall speeded up. The announcement yesterday of a 2 per cent drop to 1.21m tonnes encouraged a rise to a near-two-year high of $1,147 a tonne for the three months position. It eased to $1,135.50, but was still $47 up on the week.

Nickel was the only LME metal to register a stocks rise yesterday, but that did not prevent it building on its earlier strength during the morning, when it touched $7,450 a tonne. Subsequent salling took the price down to $7,335 at the close, down $22.50 on the day and up $347.50 on the week.

Tin followed a similar pattern, reaching a 22-month high of $6,070 a tonne for three months delivery but closing $95 off that level.

At the London Commodity Exchange coffee futures sank lower as uncertainty about the Brazilian weather outlook kept buyers on the sidelines. "Everyone is frightened to take a position," one dealer told the Reuters news agency. "Even the locals [traders operating on their own account] are scared to get into the market." He said a flurry of crop forecasts and rain forecasts from Brazil had finally saturated an already nervous market.

At the close the January futures position stood at $3,488 a tonne, down $70 on the day and $175 on the week.

Richard Mooney

LME WAREHOUSE STOCKS
(As at Thursday's close)
tonnes

Aluminium	-29,675	to 2,058,875
Aluminium alloy	-140	to 25,540
Copper	-1,700	to 335,075
Lead	-1,500	to 371,150
Nickel	+624	to 149,262
Zinc	-24,875	to 1,211,300
Tin	-895	to 30,340

WEEKLY PRICE CHANGES

	Latest prices	Change on week	Year ago	1994 High	1994 Low
Gold per troy oz.	$388.90	-3.8	$339.65	$396.50	$369.50
Silver per troy oz	328.30p	-1.2	241.00p	384.50p	328.50p
Aluminium 99.7% (cash)	$1805.5	+71	$1147.75	$1818.5	$1107.50
Copper Grade A (cash)	$2690.0	+127.5	$1452.00	$2680.0	$1731.50
Lead (cash)	$657	+6	$322.50	$658.5	$426.0
Nickel (cash)	$7223.0	+345.5	$6070.0	$7240.0	$5210.0
Zinc SHG (cash)	$1114.5	+47	$1092.5	$1114.5	$900.5
Tin (cash)	$5890.0	+370	$5830.0	$5890.0	$4730.0
Cocoa Futures Mar	£986	+5	£705	£1124	£859
Coffee Futures Jan	$3488	-175	$941	$4091	$1175
Sugar (LDP Raw)	$321.3	+4.0	$228.4	$317.5	$252.9
Barley Futures Jan	£103.80	-0.45	£129.0	£105.50	£92.65
Wheat Futures Jan	£107.30	+0.05	£131.0	£117.50	£97.80
Cotton Outlook A Index	75.85c	+2.05	51.60c	87.10c	62.45c
Wool (64s Super)	440p	+11	406p	485p	342p
Oil (Brent Blend)	$16.91z	+0.66	$19.36	$18.61	$13.18

Per tonne unless otherwise stated. p Pence/kg. c Cents lb. z Dec

BASE METALS

LONDON METAL EXCHANGE
(Prices from Amalgamated Metal Trading)

[illegible]

HIGH GRADE COPPER (COMEX)

	Close	Day's change	High	low	Open Int	Vol
Nov	124.25	+0.30	124.70	123.00	1,507	95
Dec	123.45	+0.10	123.80	122.10	41,610	9,098
Jan	122.70	+0.05	122.50	122.50	798	9
Feb	121.90	-0.05	-	-	575	3
Mar	120.95	-0.15	121.20	119.90	9,190	2,406
Apr	119.85	-0.30	-	-	695	76
Total					62,158	12,388

PRECIOUS METALS

LONDON BULLION MARKET
(Prices supplied by N M Rothschild)

Gold (Troy oz.)	$ price	£ equiv.
Close	386.70-387.10	
Opening	388.40-388.80	
Morning fix	388.40	237.423
Afternoon fix	387.70	236.570
Day's High	388.80-389.20	
Day's Low	386.70-387.10	
Previous close	388.80-389.00	

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month ....4.58 | 6 months 5.13
2 months ....4.81 | 12 months 5.52
3 months 4.93

Silver Fix	p/troy oz.	US cts equiv.
Spot	328.30	536.75
3 months	332.80	543.80
6 months	338.10	551.55
1 year	351.40	570.50

Gold Coins	$ price	£ equiv.
Krugerrand	390-393	239-242
Maple Leaf	398.40-400.95	
New Sovereign	91-94	56-59

Precious Metals continued

GOLD COMEX (100 Troy oz.; $/troy oz.)

[illegible]

PLATINUM NYMEX (50 Troy oz.; $/troy oz.)

[illegible]

PALLADIUM NYMEX (100 Troy oz.; $/troy oz.)

[illegible]

SILVER COMEX (100 Troy oz.; Cents/troy oz.)

[illegible]

ENERGY

CRUDE OIL NYMEX (42,000 US galls. $/barrel)

[illegible]

CRUDE OIL IPE ($/barrel)

[illegible]

HEATING OIL NYMEX (42,000 US galls.; c/US galls.)

[illegible]

GAS OIL IPE ($/tonne)

[illegible]

NATURAL GAS NYMEX (10,000 mmBtu; $/mmBtu)

[illegible]

UNLEADED GASOLINE NYMEX (42,000 US galls.; c/US galls.)

[illegible]

GRAINS AND OIL SEEDS

WHEAT LCE (£ per tonne)

[illegible]

WHEAT CBT (5,000bu min; cents/60lb bushel)

[illegible]

MAIZE CBT (5,000 bu min; cents/56lb bushel)

[illegible]

BARLEY LCE (£ per tonne)

[illegible]

SOYABEANS CBT (5,000bu min; cents/60lb bushel)

[illegible]

SOYABEAN OIL CBT (60,000lbs; cents/lb)

[illegible]

SOYABEAN MEAL CBT (100 tons; $/ton)

[illegible]

POTATOES LCE (£/tonne)

[illegible]

FREIGHT (BIFFEX) LCE ($10/index point)

Apr	1610	+2	1605	1605	891	3
Jul	1448	+18	-	-	142	-
Total					3,192	210

	Close	Prev
BFI	1671	1674

Spices

Black and white pepper prices were fully steady this week, reports Man Producten. The week started with higher offers from India for black pepper and the Malabar market has also been very firm. Short shippers continue to eat away any carryover in Cochin. Whites prices for Indonesian supplies have been rising quietly as Concern about the the effects of the dry weather has increased. China is a seller but will soon run dry. The nutmegs and mace market remained steady in origin, with limited offtake because most industries are well covered until end this year. There were a few european resellers taking profits by underquoting origins. When the current prices survive this lull in the market we will certainly see a much firmer market early next year, when coverage will be done for 1995. High grades of Cassia are increasingly difficult to obtain.

SOFTS

COCOA LCE (£/tonne)

[illegible]

COCOA CSCE (10 tonnes; $/tonnes)

[illegible]

COCOA (ICCO) (SDR's/tonne)

[illegible]

COFFEE LCE ($/tonne)

[illegible]

COFFEE 'C' CSCE (37,500lbs; cents/lbs)

[illegible]

COFFEE (ICO) (US cents/pound)

[illegible]

No7 PREMIUM RAW SUGAR LCE (cents/lbs)

[illegible]

WHITE SUGAR LCE ($/tonne)

[illegible]

SUGAR '11' CSCE (112,000lbs; cents/lbs)

[illegible]

COTTON NYCE (50,000lbs; cents/lbs)

Dec	69.70	-0.80	70.15	69.65	2,651	350
Total					63,609	14,249

ORANGE JUICE NYCE (15,000lbs; cents/lbs)

Nov	104.75	-0.50	105.00	103.80	2,342	757
Jan	109.15	-0.55	110.40	108.40	13,022	1,040
Mar	112.80	-0.50	113.25	111.75	5,203	218
May	116.00	-0.50	116.50	116.25	1,422	27
Jul	119.00	-0.50	118.25	118.25	875	10
Sep	121.25	-0.50	121.75	121.75	543	1
Total					24,953	2,052

VOLUME DATA
Open Interest and Volume data shown for contracts traded on COMEX, NYMEX, CBT, NYCE, CME, CSCE and IPE Crude Oil are one day in arrears.

INDICES

REUTERS (Base: 18/9/31=100)

Oct 28	Oct 27	month ago	year ago
2104.9	2104.7 2	2090.7	1604.0

CRB Futures (Base: 1967=100)

Oct 27	Oct 26	month ago	year ago
234.96	233.30	230.87	217.67

MEAT AND LIVESTOCK

LIVE CATTLE CME (40,000lbs; cents/lbs)

[illegible]

LIVE HOGS CME (40,000lbs; cents/lbs)

Aug	42.200	+0.100	42.300	42.050	2,035	343
Oct	39.100	+0.250	39.200	38.850	355	34
Total					34,835	8,309

PORK BELLIES CME (40,000lbs, cents/lbs)

Feb	42.850	+0.850	42.900	41.400	8,957	3,164
Mar	42.850	+0.625	43.000	41.700	1,040	220
May	43.650	+0.875	44.100	42.900	318	42
Jul	44.375	+0.675	44.750	43.450	314	43
Aug	43.500	+0.825	43.500	42.350	70	4
Total					10,699	3,453

LONDON TRADED OPTIONS

Strike price $ tonne	Calls		Puts	
ALUMINIUM (99.7%) LME	Dec	Mar	Dec	Mar
1800	74	113	36	65
1825	81	100	48	78
1850	48	88	59	99
COPPER (Grade A) LME	Dec	Mar	Dec	Mar
2600	108	123	54	102
2650	81	100	78	127
2700	59	80	104	157
COFFEE LCE	Jan	Mar	Jan	Mar
3500	223	328	235	374
3550	204	311	266	407
3600	186	295	290	441
COCOA LCE	Dec	Mar	Dec	Mar
925	39	92	6	31
950	23	78	15	40
875	12	63	29	52
BRENT CRUDE IPE	Nov	Dec	Nov	Dec
1600	95	104	5	104
1650	60	74	20	74
1700	35	56	35	56

LONDON SPOT MARKETS

CRUDE OIL FOB (per barrel/Dec)		+or-
Dubai	$15.51-5.63z	-0.125
Brent Blend (dated)	$17.17-7.18	+0.035
Brent Blend (Dec)	$18.90-8.92z	-0.065
W.T.I. (1pm est)	$18.17-8.19z	+0.01

OIL PRODUCTS NWE prompt delivery CIF (tonne)		
Premium Gasoline	$181-184	-2
Gas Oil	$154-155	-2
Heavy Fuel Oil	$94-95	+1
Naphtha	$170-172	-1
Jet fuel	$180-181	-2
Diesel	$180-181	-2

Petroleum Argus. Tel. London (071) 359 8792

OTHER		
Gold (per troy oz)♣	$386.90	-1.90
Silver (per troy oz)♣	538.0c	-3.5
Platinum (per troy oz.)	$423.25	
Palladium (per troy oz.)	$159.75	+0.50
Copper (US prod.)	129.0c	+1.0
Lead (US prod.)	40.25c	
Tin (Kuala Lumpur)	14.89c	+0.52
Tin (New York)	278.5c	+1.0
Cattle (live weight)†	117.46p	-2.17*
Sheep (live weight)†♠	95.02p	+3.52*
Pigs (live weight)	74.53p	-0.99*
Lon. day sugar (raw)	$321.30	-0.9
Lon. day sugar (wte)	$358.0	+1.0
Tate & Lyle export	£309.0	-
Barley (Eng. feed)	Unq.	
Maize (US No3 Yellow)	$132.0y	
Wheat (US Dark North)	£165.0u	
Rubber (Dec)♥	86.75p	
Rubber (Jan)♥	86.25p	
Rubber (KL RSS No1 Jul)	343.5m	-1.0
Coconut Oil (Phil)§	$647.5v	-7.5
Palm Oil (Malay.)§	$645.0t	+2.5
Copra (Phil)§	$400.0u	
Soyabeans (US)	£153.0v	
Cotton Outlook 'A' index	75.85c	+0.30
Wooltops (64s Super)	451p	

£ per tonne unless otherwise stated. p pence/kg. c cents/lb. r ringgit/kg. m Malaysian cents/kg. y Oct/Dec. v Nov/Dec. u Oct/Nov. z Dec. t Nov. ♥ London Physical. § CIF Rotterdam. ♣ Bullion market close. ♠ Sheep (Live weight prices). * Change on week. 0 Prices are for previous day

WORLD BOND PRICES

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Day's change	Yield	Week ago	Month ago
Australia		9.000	09/04	91.0100	-0.170	10.48	10.17	10.30
Belgium		7.750	10/04	95.3500	+0.310	8.46	8.43	8.53
Canada *		6.500	06/04	83.8500	+0.300	9.06	8.13	8.85
Denmark		7.000	12/04	87.2700	+0.220	8.96	8.80	9.02
France	BTAN	8.000	05/98	101.2500	+0.130	7.56	7.55	7.48
	OAT	5.500	04/04	82.2100	+0.260	8.27	8.22	8.12
Germany Treu		7.500	09/04	99.4500	+0.370	7.58	7.50	7.63
Italy		8.500	08/04	82.2700	-0.080	11.58†	11.82	11.45
Japan	No 119	4.800	06/99	102.6520	+0.060	4.12	4.07	3.89
Japan	No 164	4.100	12/03	95.9460	+0.180	4.74	4.74	4.54
Netherlands		7.250	10/04	97.7200	+0.160	7.58	7.49	7.56
Spain		8.000	05/04	81.9600	+0.270	11.14	11.24	11.18
UK Gilts		0.000	08/99	90-00	+13/32	8.58	8.51	8.63
		8.750	11/04	87-08	+19/32	8.87	8.63	8.81
		9.000	10/08	102-29	+22/32	8.84	8.82	8.77
US Treasury *		7.250	08/04	96-06	+13/32	7.81	7.78	7.62
		7.500	11/24	94-20	+27/32	7.97	8.01	7.83
ECU (French Govt)		8.000	04/04	83.1300	+0.160	8.67	8.59	8.87

London closing, *New York mid-day. Yields: Local market standard.
† Gross (including withholding tax at 12.5 per cent payable by nonresidents)
Prices. US, UK in 32nds, others in decimal. Source: MMS International

ECONOMIC DIARY – FORWARD EVENTS

TOMORROW: Middla East/North Africa economic summit in Casablanca (until November 1). 50th anniversary meeting of the international Civil Aviation Organisation in Chicago.

MONDAY: Monthly digest of statistics (October). Economic trends (October). M0 figures (October-provisional). US personal income and spending (September). European Union foreign ministers meet in Luxembourg.

TUESDAY: Advance energy statistics (September). Bank of England quarterly bulletin (third quarter). US NAPM index; construction spending (September). Mediterranean environment ministers conference in Tunis. Interim results from BP and Thames Water.

WEDNESDAY: All Saints and All Souls' Day - European institntions closed for holiday (until November 2). Overseas travel and tourism (August). UK official reserves (October). Banks registered in UK consolidated external claims (June). US leading indicators; factory orders (September). Bosnian republican and federation parliaments to meet. Senior officials of Asia-Pacific Economic Co-oparation forum (APEC) meet in Jakarta. IAEA meeting in Vienna. Financial markets in Singapore closed for holiday. Interims from BAT Industries.

THURSDAY: Details of employment, unemployment, earnings, prices and other indicators. Major British banking groups' quarterly analysis of landing (third quarter). Full monetary statistics (including bank and building society balance sheets, bill turnover statistics, lending secured on dwellings, official operations in the money market, sterling certificates of deposit and sterling commercial paper (September). US new home sales (September). Financial Times holds conference "Corporate Risk Management and the International Insurance Industry" in London. Boots results. London Film Festival opens.

FRIDAY: Housing starts and completions (September). Insolvency statistics (third quarter). Company winding up and bankruptcy petition statistics. US unemployment data. Franco-African summit in Biarritz.

US INTEREST RATES

Lunchtime		Treasury Bills and Bond Yields			
		One month	4.54	Two year	[illegible]
Prime rate	7¾	Two month	5.25	Three year	[illegible]
Broker loan rate	6½	Three month	5.14	Five year	[illegible]
Fed.funds	4¾	Six month	5.68	10-year	[illegible]
Fed.funds at intervention	-	One year	6.18	30-year	[illegible]

BOND FUTURES AND OPTIONS

France

NOTIONAL FRENCH BOND FUTURES (MATIF)

[illegible]

LONG TERM FRENCH BOND OPTIONS (MATIF)

[illegible]

Germany

NOTIONAL GERMAN BUND FUTURES (LIFFE) DM250,000 100ths of 100%

[illegible]

BUND FUTURES OPTIONS (LIFFE) DM250,000 points of 100%

[illegible]

Italy

NOTIONAL ITALIAN GOVT. BOND (BTP) FUTURES (LIFFE) Lira 200m 100ths of 100%

[illegible]

ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS (LIFFE) Lira200m 100ths of 100%

[illegible]

Spain

NOTIONAL SPANISH BOND FUTURES (MEFF)

[illegible]

UK

NOTIONAL UK GILT FUTURES (LIFFE) £50,000 32nds of 100%

[illegible]

LONG GILT FUTURES OPTIONS (LIFFE) £50,000 64ths of 100%

Strike Price	Calls Dec	Calls Mar	Puts Dec	Puts Mar
100	1-48	2-30	0-50	2-26
101	1-09	1-62	1-11	2-58
102	0-46	1-35	1-48	3-31

Est. vol. total, Calls 4473 Puts 2393. Previous day's open int., Calls 80184 Puts 44365

Ecu

ECU BOND FUTURES (MATIF)

[illegible]

US

US TREASURY BOND FUTURES (CBT) $100,000 32nds of 100%

	Open	Latest	Change	High	Low	Est. vol.	Open int.
Dec	97-11	97-26	+0-14	97-30	96-29	241,085	390,012
Mar	96-23	97-05	+0-14	97-09	96-12	1,309	27,492
Jun	96-03	96-19	+0-07	96-18	95-20	101	11,313

Japan

NOTIONAL LONG TERM JAPANESE GOVT. BOND FUTURES (LIFFE) Y100m 100ths of 100%

[illegible]

FT-ACTUARIES FIXED INTEREST INDICES

[illegible]

FT FIXED INTEREST INDICES

[illegible]

GILT EDGED ACTIVITY INDICES

[illegible]

UK GILTS PRICES

[illegible]

Other Fixed Interest

[illegible]

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 71) 873 4378 for more details.

AUTHORISED UNIT TRUSTS

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro §§

INITIAL CHARGE: Charge made on sale of units. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the price of units.

OFFER PRICE: Also called issue price. The price at which units are bought by investors.

BID PRICE: Also called redemption price. The price at which units are sold back by investors.

CANCELLATION PRICE: The minimum redemption price. The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, most unit trust managers quote a much narrower spread. As a result, the bid price is often set above the cancellation price. However, the bid price might be moved to the cancellation price by the managers at any time, usually in circumstances in which there is a large excess of sellers of units over buyers.

TIME: The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (♥) - 0001 to 1100 hours; (♦) - 1101 to 1400 hours; (♣) - 1401 to 1700 hours; (♠) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point; a short period of time may elapse before prices become available.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

SCHEME PARTICULARS AND REPORTS: The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

§§ Life Assurance and Unit Trust Regulatory Organisation, Centre Point, 103 New Oxford Street, London WC1A 1QH Tel: 071-379-0444.

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OTHER UK UNIT TRUSTS

INSURANCES

FT MANAGED FUNDS SERVICE

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Money Market Trust Funds

Money Market Bank Accounts

MANAGEMENT SERVICES

FT MANAGED FUNDS SERVICE

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OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

Fidelity Money Funds

[illegible]

Jupiter Tyndall (Bermuda) Ltd

[illegible]

Momentum Asset Management Ltd

[illegible]

Newport Investment Management

[illegible]

Orbis Fund Limited

[illegible]

GUERNSEY (SIB RECOGNISED)

AIB Investment Managers (Guernsey) Ltd

Adams & Neville Fd Mangt (Guernsey) Ltd

Butterfield Fund Mngrs (Guernsey) Ltd

Equitable International Fund Managers Ltd

Guinness Flight Fd Mngrs (Guernsey) Ltd

Hambros Fd Mngrs (CI) Ltd

Kleinwort Benson Intl Fd Mngrs Ltd

[illegible]

Lazard Frères Asset Management (CI) Ltd

Lloyds Intl Money Market Fund Ltd

M & G (Guernsey) Ltd

Royal Bk of Canada O/S Fd Mgrs Ltd

Sarasin Funds Mngmt (Guernsey) Ltd

Schroder Investment Mngmt (Guernsey) Ltd

[illegible]

GUERNSEY (REGULATED)(**)

ANZ Mngmt Co (Guernsey) Ltd

Apollo Investment Management Ltd

Arab Bank Fund Managers (Guernsey) Ltd

Barrington Global Investment Fund Ltd

Bellevest Management (Guernsey) Ltd

CIBC Fund Managers (Guernsey) Ltd

Global Portfolio Management (Guernsey) Ltd

Hambros Fund Managers (CI) Ltd

Hevelot Thorogenica Mngmt Ltd

Kleinwort Benson Intl Fd Mngrs Ltd

[illegible]

Lazard Frères Asset Management (CI) Ltd

Lloyds Bank Fund Managers (Guernsey) Ltd

Merrill Lynch Guernsey

Nikko Capital Mngt (Europe) Ltd

Quilter International Management Ltd

Rothschild Asset Mngt (CI) Ltd

Schroder Investment Mngmt (Guernsey) Ltd

Yamaichi Capital Mngt (Guernsey) Ltd

[illegible]

IRELAND (SIB RECOGNISED)

BT Fund Managers (Ireland) Ltd

Baring International Fd Managers (Ireland) Ltd

Coutts & Co Fund Managers Limited

Dunedin Unit Trust Managers (Ireland) Ltd

Federated International Funds Plc

GAM Fund Management Ltd

GT Asset Management (Ireland) Ltd

Morgan Grenfell Investment Funds Ltd

Old Mutual International Fd Mngrs (Ireland) Ltd

Prolific International Fund Plc

Scottish Widows Management (Ireland) Ltd

Singer & Friedlander Inv Funds Ltd

[illegible]

Swiss Life Investment Fund - Proteus

[illegible]

IRELAND (REGULATED)(**)

AIB Fund Management Ltd

Argonaut European Hedge Fund plc

Asia Small Growth Fund plc

Asian Growth Fund Plc

BT Fund Managers (Ireland) Ltd

Bank of Ireland Unit Managers Ltd

Baring International Fd Managers (Ireland) Ltd

Baring Mutual Fund Mngmt (Ireland) Ltd

CFP Interest Rate Arbitrage Fund Plc

Chemical Ireland Fund Administrators Ltd

Dynamic Pacific Portfolio Fund Plc

Frank Russell Investments (Ireland) Ltd

GT Asset Management Ltd

Hambros Fund Managers (Ireland) Ltd

Kleinwort Benson Derivative Products Fd Plc

Korea Capital Growth Fund

Korea Sprint Fund Plc

Morgan Grenfell Fixed Income Funds Plc

Morgan Grenfell Prolands Plc

Orient Balanced Fund Plc

Paine Webber Offshore Funds Plc

Portfolio Asset Management (Ireland) Ltd

Sanwa International (Ireland) Plc

Scottish Amicable European

Stellar Fund Plc

Ulster Bank Investment Services

Value Express Fund Plc

Yellow Sea Investment Company PLC

Yoki Korea Fund

[illegible]

ISLE OF MAN (SIB RECOGNISED)

AXA Equity & Law Intl Fund Mngrs

Allied Dunbar Intl Fund Mgrs (1000)F

Bank of Ireland

[illegible]

CMI Fund Managers - Contd.

Leopold Joseph Fund Mngrs (IoM) Ltd

Mercury Fund Managers (IoM) Ltd

Sun Life Management (IoM) Ltd

Windsor Life Assurance Fund Ltd

[illegible]

ISLE OF MAN (REGULATED)(**)

AXA Equity & Law Intl Fund Mgrs

City Financial Admin (IoM) Ltd

Duncan Lawrie Inv. Mgt. Ltd

John Govett Management (IoM) Ltd

R & H Fund Managers Ltd

[illegible]

JERSEY (SIB RECOGNISED)

AIB Fund Managers (CI) Ltd

Barclays International Funds

Capital House Fund Mgrs (CI) Ltd

Gartmore Fund Mngrs Intl Ltd

Hill Samuel Fund Mgrs (Jsy) Ltd

John Govett (Channel Islands) Ltd

Lloyds Bank (CI) U/T Mgrs.

Midland Bank Fund Managers (Jersey) Ltd

Prudential Fund Managers (Jersey) Ltd

Royal Bank of Canada Intl Fd Mgt Ltd (J)

Standard Bank Fund Mngrs (Jersey) Ltd

TSB Trust Funds (CI)

[illegible]

JERSEY (REGULATED)(**)

Barclays Intl Funds

Baring Fund Mgrs (Jersey) Ltd

Barings Fund Managers (Jersey) Ltd

Citibank (CI) Ltd

Coutts & Co (Jersey) Fund Managers Ltd

Flemings Group

Foreign & Colonial Mngt (Jersey) Ltd

[illegible]

John Govett Management (Jersey) Ltd

Jupiter Tyndall (Jersey) Ltd

Lloyds Private Banking (CI) Ltd

Lombard Odier (Jersey) Ltd

Lombard Financial Services Limited

Management International (Jersey) Ltd

Perpetual UT Mngrs (Jersey) Ltd

The Portugal Fund Limited

Royal Bank of Canada Intl Fd Mgt Ltd

Royal Bk of Scotland Fd Mngrs (Jersey) Ltd

Schroder Kemp-Gee Mngmt. Jersey

Worldinvest (Managers) Jersey Ltd

[illegible]

LUXEMBOURG (SIB RECOGNISED)

ABN AMRO Funds

Altrust Fund Mngrs Luxembourg SA

American Phoenix Investment Portfolios

BAII Intermarket Fund

Barclays Diversified Portfolio

Barclays Inv Funds (Luxembourg)

Citibank N.A.

Dexia Banque

Cravate Group

DB Investment Management SA

Dixis Income Fund

Dresdnerbank Asset Mngmt SA

E.T. Investment Management

Eagle Star - Global Assets Fund

Fidelity Funds

Fleming Group

Foreign & Colonial Emerging Markets Ltd

Gartmore Luxembourg SA

Hypo Foreign & Colonial Port Fd Sicav

INVESCO International Limited

Jardine Fleming

Liberty ALL-STAR World Portfolio

Midland Intl Circuit Fund SICAV

Nikko Japan Return Reversal Fund

Nomura Global Fund

PRIMA Worldwide Inv Portfolio Sicav

Regent Global Fund

Sanwa Inv Mngt (Luxembourg) SA

Schroder International Selection Fd

Scottish Equitable Intl Fund SICAV

Sun Life Global Management Ltd

Templeton Global Strategy Funds

Thornton Investment Management Ltd

S.G. Warburg Asset Mngmt Lux SA

[illegible]

LUXEMBOURG (REGULATED)(**)

Aetna International Umbrella Fund

Alliance Capital

Asian Development Equity Fund

BAII Intermarket Fund

Banque Indosuez Luxembourg

Banque Paribas Luxembourg

Citicorp Investment Mgmt (Luxembourg) SA

Credit Investment Funds

[illegible]

FT MANAGED FUNDS SERVICE

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Credis Investment Funds - Contd.

Nikko Bank - Contd.

CMI Insurance Co Ltd - Contd.

OTHER OFFSHORE FUNDS

ATSP Management Ltd

Abtrust Fund Mngrs (Guernsey) Ltd

Adig Investment

Ermitage Group

Jardine Fleming Unit Trusts Ltd - Contd.

Pakistan Fund

Panther Capital Advisors

Pequot International Fund Inc

Peru Select Group of Funds Limited

Philippine Income Fund Inc

Portuguese Investment Fund Ltd

Springfield Fund Mgmt (Gibraltar) Ltd

Sri Lanka Growth Fund

State Street Banque SA

Strome Offshore Limited

OFFSHORE INSURANCES

Smith Barney Funds

Soditic Asset Management Inc

Carl Spaengler KAG

MANAGED FUNDS NOTES

£ - Previous day's price.

ꝏ - Yield before Jersey tax.

† - Ex-subdivision.

xd - Ex-dividend.

WORLD STOCK MARKETS

NORTH AMERICA

UNITED STATES (Oct 28 / US$)

(4 pm close)

EUROPE

AUSTRIA (Oct 28 / Sch)

BELGIUM/LUXEMBOURG (Oct 28 / Frs.)

CANADA (Oct 28 / Can. $)

(4 pm close)

DENMARK (Oct 28 / Kr)

FINLAND (Oct 28 / Mka)

FRANCE (Oct 28 / Frs.)

GERMANY (Oct 28 / Dm.)

ITALY (Oct 28 / Lire)

NETHERLANDS (Oct 28 / Fls.)

NORWAY (Oct 28 / Kroner)

SPAIN (Oct 28 / Pts.)

SWEDEN (Oct 28 / Kronor)

SWITZERLAND (Oct 28 / Frs.)

AFRICA

SOUTH AFRICA (Oct 28 / Rand)

PACIFIC

JAPAN (Oct 28 / Yen)

AUSTRALIA (Oct 28 / Aust$)

HONG KONG (Oct 28 / H.K.$)

MALAYSIA (Oct 28 / MYR)

SINGAPORE (Oct 28 / S$)

DBS	10.00	...	12.70	10.50	1.9	0.6
FrNdv	17.30	...	19.80	15	0.6	...
GOFlAs	2.30	+.03	3.40	2.34	3.1	...
HumPar	3.52	+.12	3.64	2.40	3.1	...
Inchco	6.90	...	0.60	4.02	0.0	...
Keppel	13	+.20	13.40	9	1.6	...
OCBC	16.50	...	18.70	11	1.3	...
OUB	7.50	...	7.80	5.75	0.8	...
S AirF	13.70	...	16.10	10.40	1.6	...
SPress	18.30	+.10	11.10	13.10	1.9	...
S'pdaT	3.25	...	3.86	3.14	0.9	...
Straits	3.92	+.02	4.38	3.16	3.3	...
TobLee	4.62	...	6.30	3.66	1.7	...
UOB	11.30	+.10	11.50	8.40	2.5	...

Prices supplied by Telekurs

NOTES – Prices on this page are as quoted on the individual exchanges and are mostly last traded prices. Highs/Lows are based on data from Jan 1 1994. ø Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

FT FREE ANNUAL REPORTS SERVICE

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INDICES

	Oct 28	Oct 27	Oct 26	1994 High		1994 Low	
Argentina							
General (29/12/77)	(u)	19160.17	18935.45	25470.40	16/2	17758.90	20/4
Australia							
All Ordinaries(1/1/80)	2021.2	2032.2	2017.6	2340.60	3/2	2017.80	27/10
All Mining(1/1/80)	1070.8	1078.9	1068.2	1136.10	3/2	904.60	5/5
Austria							
Credit Aktien(30/12/84)	381.43	379.75	(c)	460.66	2/2	376.94	25/10
Traded Index(2/1/91)	1025.13	1020.10	(c)	1222.25	1/2	1011.38	6/6
Belgium							
BEL20 (1/1/91)	1371.74	1357.11	1354.00	1542.65	9/2	1336.36	7/10
Brazil							
Bovespa (29/12/83)	(u)	47087.0	48637.0	58110.00	13/9	3600.90	3/1
Canada							
Metals Mnls♦(1975)	(u)	4212.62	4220.97	4278.02	20/10	3289.06	20/4
Composite♦ (1975)	(u)	4365.50	4360.00	4609.90	23/3	3959.90	24/6
Portfolio§§ (4/1/83)	(u)	2063.17	2059.16	2182.68	1/2	1888.48	28/6
Chile							
IPGA Gen (31/12/80)	(u)	5581.8	5512.2	5679.20	19/10	3801.20	4/4
Denmark							
CopenhagenSE(3/1/83)	342.09	343.90	344.76	416.79	2/2	339.11	7/10
Finland							
HEX General(28/12/90)	1958.8	1946.9	1922.9	1972.00	4/2	1581.10	3/1
France							
SBF 250 (31/12/90)	1268.92	1243.52	1231.77	1585.20	2/2	1227.80	25/10
CAC 40(31/12/87)	1905.69	1858.11	1831.54	2355.93	2/2	1824.42	25/10
Germany							
FAZ Aktien(31/12/58)	789.34	783.27	783.32	859.27	18/5	742.04	5/10
Commerzbank(1/12/53)	2186.10	2189.4	2189.6	2468.50	2/5	2116.30	5/10
DAX (30/12/87)‡	2040.32	2013.20	2020.50	2271.11	18/5	1980.59	7/10
Greece							
Athens SE(31/12/80)	(c)	822.08	818.49	1184.58	18/1	808.67	25/5
Hong Kong							
Hang Seng(31/7/64)	9379.47	9304.58	9252.44	12201.09	4/1	8369.44	4/5
India							
BSE Sens.(1979)	4274.71	4328.74	4357.44	4626.57	12/9	3454.00	5/1
Indonesia							
Jakarta Comp.(10/8/82)	516.41	517.85	516.32	612.80	5/1	448.72	12/7
Ireland							
ISEQ Overall(4/1/88)	1830.18	1810.08	1798.34	2082.18	20/1	1694.14	1/7
Italy							
Banca Comm Ital (1972)	624.21	612.73	610.41	817.17	10/5	588.85	10/1
MIB General (4/1/94)	1010.0	992.0	986.0	1318.00	10/5	944.00	10/1
Japan							
Nikkei 225 (16/5/49)	19805.16	19796.38	19746.35	21552.81	13/6	17369.74	4/1
Nikkei 300 (1/10/82)	286.79	287.14	286.60	311.71	13/6	256.22	4/1
Topix (4/1/68)	1587.32	1588.44	1586.94	1712.73	13/6	1445.97	4/1
2nd Section (4/1/68)	2190.06	2194.74	2194.89	2542.66	6/7	1873.33	4/1
Malaysia							
KLSE Comp.(4/4/86)	1113.04	1101.74	1105.64	1314.46	5/1	928.33	4/4
Mexico							
IPC (Nov 1978)	(u)	2592.29	2580.60	2881.17	8/2	1957.33	20/4
Netherlands							
CBS TtlRtnGen(End 83)	437.6	430.9	435.8	464.90	31/1	408.30	21/6
CBS All Shr (End 83)	274.8	270.8	268.1	294.80	31/1	257.80	21/6
New Zealand							
Cap. 40 (1/7/86)	2096.17	2090.42	2069.33	2439.84	3/2	1945.91	11/7
Norway							
Oslo SE(Ind)(2/1/83)	1059.82	1054.10	1055.16	1211.19	28/2	980.81	21/6
Philippines							
Manila Comp (2/1/85)	3068.52	3060.25	3078.25	3308.37	4/1	2507.33	8/3
Portugal							
BTA (1977)	2691.8	2680.0	2686.7	3228.60	18/2	2512.80	20/6
Singapore							
SES All-S'pore(2/4/75)	561.82	560.60	561.52	641.61	4/1	523.29	4/4
South Africa							
JSE Gold (28/9/78)	2292.0¥	2297.0	2280.0	2534.00	7/3	1749.00	14/2
JSE Indl. (28/9/78)	6602.0¥	6565.0	6570.0	6757.00	15/6	5446.00	19/7
South Korea							
KoreaCmpEx(4/1/80)**	1082.56	1084.71	1092.03	1113.28	18/10	855.37	2/4
Spain							
Madrid SE (30/12/85)	295.33	291.01	288.65	358.31	31/1	288.65	26/10
Sweden							
AffarsvardnGen (1/2/37)	1471.80	1466.60	1455.40	1603.90	31/1	1334.70	0/7
Switzerland							
Swiss Bk. Ind (31/12/58)	1157.79	1138.72	1151.05	1423.34	31/1	1138.72	27/10
SBC General (1/4/87)	886.67	876.57	884.16	1093.29	31/1	876.57	27/10
Taiwan							
WeightedPr.(30/6/66)**	6604.66	6584.97	6665.67	7191.13	30/9	5164.63	19/3
Thailand							
Bangkok SET (30/4/75)	1506.12	1501.73	1514.07	1753.73	4/1	1196.59	4/4
Turkey							
Istanbul Cmp.(Jan 1986)	(c)	24896.4	24009.5	28883.60	13/1	12980.70	24/3
WORLD							
MS Capital Int (1/1/70)§	636.0*	633.8	630.6	644.00	2/9	591.80	4/5
CROSS-BORDER							
Eurotrack 100(26/10/90)	1326.61	1303.20	1300.71	1540.19	31/1	1288.48	5/10
Euro Top-100 (26/6/90)	1175.34	1154.30	1148.32	1311.01	2/2	1138.48	5/10
JCapitDrgns (31/12/88)	(u)	334.05	333.45	358.15	5/1	280.28	21/3
Barings Emerg.(7/1/92)	(u)	180.89	180.77	191.76	26/9	141.66	21/4

■ CAC-40 STOCK INDEX FUTURES (MATIF)

	Open	Sett Price	Change	High	Low	Est. vol.	Open Int.
Oct	1864.0	1856.0	+37.0	1895.0	1860.0	33,375	11,281
Nov	1870.0	1915.0	+50.0	1918.0	1866.5	27,284	20,302
Dec	1879.0	1924.5	+50.5	1925.0	1975.0	611	27,335

Open interest figures for previous day.

** Sat Oct 22: Taiwan Weighted Price 6770.98; Korea Comp Ex 1066.80. Base values of all indices are 100 except: Australia All Ordinary and Mining – 500; Austria Traded, BEL20, HEX Gen., MIB Gen., SBF250, CAC40, Euro Top-100, ISEQ Overall; Toronto Comp./Metals & Minerals and DAX – all 1,000; JSE Gold – 255.7; JSE 25 Industrials – 264.3; NYSE All Common – 50 and Standard and Poor's – 10. §§ Montreal. ♦ Toronto. (c) Closed. (u) Unavailable. ‡ IBIS/DAX after-hours index: Oct 28 – 2064.66 +38.49

US INDICES

Dow Jones	Oct 27	Oct 26	Oct 25	1994 High	1994 Low	Since compilation High	Since compilation Low
Industrials	3875.15	3848.23	3830.39	3978.36 (31/1)	3593.35 (4/4)	3978.36 (31/1/94)	41.22 (2/7/32)
Home Bonds	95.16	95.16	95.34	106.61 (21/1)	95.16 (26/10)	108.77 (18/10/93)	54.99 (1/10/81)
Transport	1495.32	1470.67	1474.13	1862.29 (2/2)	1438.50 (6/10)	1862.29 (2/2/94)	12.32 (8/7/32)
Utilities	178.16	177.04	127.63	227.08 (3/1)	175.65 (20/9)	256.48 (31/8/93)	10.50 (8/4/32)

DJ Ind. Day's high 3893.99 (3891.97) Low 3834.44 (3816.81) (Theoretical)♦ Day's high 3875.13 (3870.10) Low 3848.23 (3831.47) (Actual)

Standard and Poors	Oct 27	Oct 26	Oct 25	1994 High	1994 Low	Since compilation High	Since compilation Low
Composite ‡	465.85	462.62	461.53	482.00 (2/2)	438.92 (4/4)	482.00 (2/2/94)	4.40 (1/6/32)
Industrials¥	554.29	551.13	549.72	560.83 (15/9)	510.05 (21/4)	560.83 (15/9/94)	3.62 (21/6/32)
Financial	42.91	42.42	42.28	48.84 (14/8)	41.39 (4/4)	48.40 (28/9/93)	8.64 (1/10/74)
NYSE Comp.	255.57	253.81	253.51	267.71 (2/2)	243.14 (4/4)	267.71 (2/2/94)	4.46 (25/4/42)
Amex Mkt Val	455.09	453.53	452.86	487.89 (2/2)	422.67 (25/6)	487.89 (2/2/94)	29.31 (9/12/72)
NASDAQ Cmp	767.47	763.24	758.26	803.93 (18/3)	693.79 (24/6)	803.93 (18/3/94)	54.87 (31/10/72)

■ RATIOS

	Oct 21	Oct 14	Oct 7	Year ago
Dow Jones Ind. Div. Yield	2.72	2.71	2.76	2.76
	Oct 26	Oct 19	Oct 12	Year ago
S & P Ind. Div. yield	2.39	2.36	2.37	2.42
S & P Ind. P/E ratio	20.82	21.11	20.81	28.51

■ STANDARD AND POORS 500 INDEX FUTURES $500 times index

	Open	Latest	Change	High	Low	Est. vol.	Open int.
Dec	467.20	472.00	+4.80	472.90	465.65	67,174	224,300
Mar	470.50	475.15	+4.75	476.00	470.00	2,456	12,922
Jun	479.25	479.20	+6.15	479.70	473.90	222	3,274

Open interest figures are for previous day.

■ NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Close price	Change on day
Sprint	5,402,000	32¼	-⅛
Ford Motor	4,594,600	29	-⅛
Gen Motors	4,011,100	40⅛	-⅛
Micron	3,602,900	39½	+1
Telefonos	3,191,500	56½	+⅛
Pitney Bowes	3,017,500	32⅛	-⅞
Citicorp	2,786,500	46⅝	+1⅜
RJR Nabisco	2,705,300	7	–
Philip Morris	2,654,500	64⅛	+½
YPF	2,528,400	23⅞	+⅛

■ TRADING ACTIVITY

● Volume (million)	Oct 27	Oct 26	Oct 25
New York SE	327.810	322.528	328.102
Amex	23.474	16.043	17.294
NASDAQ	298.238	283.253	273.493
NYSE			
Issues Traded	2,875	2,885	2,867
Rises	1,250	977	731
Falls	888	1,210	1,411
Unchanged	686	698	685
New Highs	44	19	15
New Lows	173	191	235

† Correction. * Calculated at 15.00 GMT. ● Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. ♦ The DJ Ind. index theoretical day's highs and lows are the averages of the highest and lowest prices reached during the day by each stock; whereas the actual day's highs and lows (supplied by Telekurs) represent the highest and lowest values that the index has reached during the day. (The figures in brackets are previous day's). ¥ Subject to official recalculation.

WORLD STOCK MARKETS

AMERICA

Complicated backdrop as Dow gains

Wall Street

US stocks surged yesterday morning, even although an initial reading on third-quarter economic growth was much higher than forecast, *writes Frank McCurty in New York.*

By 1 pm, the Dow Jones Industrial Average was 51.13 higher at 3,926.28, about half an hour after the NYSE's restrictions on program-guided buying were triggered. The more broadly based Standard & Poor's 500 was up 6.37 at 472.22, as advancing issues on the Big Board outnumbered declines by nearly a three-to-one margin.

Volume was heavy for the fourth session in a row, with some 226m shares traded by early afternoon.

In the other leading markets, the American SE composite was 2.33 better at 457.42, and the Nasdaq composite was up 6.77 at 774.32.

The powerful advance was staged against a complicated technical and fundamental backdrop. It was triggered by a solid gain in bond prices in spite of the announcement that the economy had expanded by a bigger than expected 3.4 per cent in the three months to the end of September.

The Treasury market had expected a 3.0 per cent gain but a sell-off failed to materialise because of some surprisingly good inflation news contained in the report, and suggestions that the economy might start to cool off rapidly in the current quarter.

The upturn pushed the yield on the 30-year government bond below 8.00 per cent for the first time all week. The rally gathered strength around midday on rumours, later denied by Washington, that the Group of Seven industrial nations would meet in an emergency weekend session to consider ways to prop up the dollar.

Share prices paralleled the action in bonds, as the mood of relief allowed equity investors to retrace some of the ground lost over the past fortnight. The Dow industrials had backtracked in five out of the past six sessions, even though the earnings news flooding the market over that time was overwhelmingly positive.

Among the best performers Caterpillar climbed $1⅛ to $59½, Chevron $1⅛ to $45⅞, IBM $1¼ to $75⅝ and Procter & Gamble $1⅜ to $64⅛.

Airline stocks were up sharply for a second day running. UAL, parent of United Airlines, jumped $4¾ to $93¾, Delta climbed $1⅞ to $51 and AMR, parent of American, put on $2 to $54⅞.

The technology sector showed impressive strength, too: Motorola was $1½ ahead at $57⅞, Texas Instruments was $1¼ better at $75 and Compaq Computer up $1⅞ at $40⅛.

On the Nasdaq, Ventritex, a medical equipment supplier, jumped 20 per cent to $28½ after the Food and Drug Administration approved a device developed by the company to control life-threatening rapid heartbeats.

Canada

Toronto stocks continued on an upward path at midday as bonds climbed on the US data.

The TSE 300 composite index added 15.58 to 4,281.04 in volume of 31.1m shares valued at C$460m. Advances led declines 360 to 244, with 277 issues flat.

A fall in the precious metals group muffled solid gains in forestry stocks, as well as interest rate sensitive conglomerates and financial services.

Active issues included Norcen Energy, off C$¼ at C$17⅞, with 1.5m shares traded and Nova off C$¼ at C$13¼ as profits were taken after it announced good third quarter figures.

Brazil

São Paulo surged 5.0 per cent in heavy trading in a rebound from recent losses, the Bovespa index rising 3,325 to 49,392 at 1530 local time. Turnover R$308m ($262.8m).

Mexican fatigue takes the shine off equities

Telmex results add to woes, writes Damian Fraser

The past month has been an unrewarding time for investors in Mexico's stock market. Battered by poor third quarter results, the rise in US bond yields and an uncertain political environment, the IPC index has lost about 6 per cent of its value since the beginning of October, falling below the level reached at the end of last year.

The drop has been most dramatic over the past week, following worse than expected third quarter results from Teléfonos de México (Telmex), the country's largest private company, which reported a rise of 1.5 per cent in net profit to 7.14bn pesos. US brokerages reduced year-end estimates for the company's earnings, and the value of Telmex's equity plummeted by 5 per cent on Tuesday, the day after its results were released.

The steepness of the drop in Telmex's stock price took many analysts by surprise, since the profits were only modestly below analysts' forecasts. However, with investors already nervous about Mexico's economic and political situation, and with US bond yields moving upwards, "many were looking for an excuse to sell the market", concludes Mr Borja Ussia of Grupo Moneda in Mexico.

The stock market has proved especially vulnerable to movements in US bond yields and Wall Street because of its dependence on foreign capital to finance a current account deficit expected to reach $28bn this year, or 8 per cent of GDP. The rise in US yields has forced Mexico to let its domestic interest rates climb to attract the necessary foreign investment, damaging economic growth and raising the financing costs of Mexican companies.

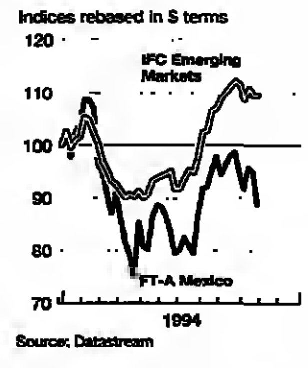
"What is driving the market is the global liquidity shortage," says Mr Jorge Mariscal of Goldman Sachs. If US bond yields continue to rise then he expects the market to suffer further – although in his view US bond yields have probably peaked, meaning that the market is well-placed for a strong recovery.

Compounding the rise in US bond yields have been adverse political developments, following the presidential election in August and the assassination of the number two official in the ruling PRI party at the end of September. As a result, domestic interest rates have risen for four weeks running, and now stand at over 14 per cent, or over 7 per cent in real terms adjusted for inflation. The exchange rate has depreciated to 3.43 pesos against the dollar, near the top of its permitted band.

"The political situation is tense, the economy is still not strong and companies are not reporting good results," says Mr Ussia. "We have to resolve these problems before investors return to the market."

Mexico

Indices rebased in $ terms



Source: Datastream

The Central Bank announced last week that reserves had fallen to $17.2bn, about $10bn less than the peak in February. The Central Bank is thought unlikely to want reserves to fall below $10bn, giving it little option but to permit further rate rises if the peso comes under further pressure.

The political situation has deteriorated despite the convincing victory of Mr Ernesto Zedillo in August's presidential election, largely because of the assassination of Mr Ruiz Massieu, the number two official in the PRI, and the man in charge of negotiating political reform with the opposition. Mr Ruiz Massieu's assassination was allegedly ordered by a PRI federal deputy from the state of Tamaulipas.

The assassination raised fears of a deep division in the ruling party, between reformers and hard-liners, which could make the country difficult to govern. Such concerns were fuelled by the deputy attorney-general investigating the case – Mr Ruiz Massieu's brother – who appeared to blame the murder on a group of old-style politicians, possibly acting out of personal or ideological motivation, an accusation vigorously denied by the PRI leadership, and not yet substantiated.

The fall-out from Mr Ruiz Massieu's murder has come at an awkward time, with government ministers scrambling to position themselves for jobs in the next administration. The unity that normally characterises Mexico's ruling party in government has been noticeably absent in recent weeks.

Nevertheless, many analysts predict that the political climate will improve when Mr Zedillo formally takes office on December 1. Mr Zedillo is expected to appoint many of the cabinet ministers closest to Mr Carlos Salinas, the outgoing president, to senior positions and deepen many of the economic reforms that have characterised his presidency.

The economy is expected to pick up further next year, with a consensus forecast of 4 per cent growth, compared to 2.5 per cent for this year. Third-quarter results from banks and infrastructure companies indicated that credit growth and investment was picking up. Meanwhile, exports have increased rapidly, helped by a depreciation of nearly 10 per cent in the currency.

The stock market is cheap by regional standards, trading at about 16.5 times 1994 earnings, according to Morgan Stanley, compared to a multiple of about 18 times in Brazil and 20 in Chile. Arguing that much of the bad news is already discounted, Salomon Brothers confidently asserted in a report this week that investors will shake off "Mexican fatigue" over the next couple of months.

EUROPE

Paris puts on 2.5% ahead of long weekend

Traders called it the "mauling of the dollar bears". US economic data came in with less of an inflationary feel than expected and currencies, bonds and equity futures responded, *writes Our Markets Staff.*

PARIS regained the 1,900 level for the first time since October 18, the CAC-40 index climbing 47.58 to 1,905.69 for a 2.5 per cent gain both on the day and on the week. Turnover, boosted by the expiry of October futures, was FFr6.1bn. French markets will be closed on Monday and Tuesday for public holidays.

Eurotunnel, up 20 centimes at FFr19.20, shrugged off news that the COB, the market watchdog, had launched an official inquiry into whether the channel tunnel operator had presented its financial position fairly in its rights issue prospectus published in May.

The other Euro stock, Euro-Disney, added 35 centimes to FFr7.10 ahead of full-year figures due next Thursday. Analysts did not expect surprises in the figures, since the bad news was already in the price, and forecast losses of between FFr1.6bn to FFr1.8bn.

Sanofi put on FFr11.90 to FFr259.90 before reporting an 8.8 per cent gain in nine-month sales.

FT-SE Actuaries Share Indices — THE EUROPEAN SERIES

Oct 28 Hourly changes	Open	10.30	11.00	12.00	13.00	14.00	15.00	Close
FT-SE Eurotrack 100	1310.55	1310.50	1310.16	1312.87	1313.77	1316.12	1324.85	1326.61
FT-SE Eurotrack 200	1370.12	1369.43	1369.43	1370.44	1373.30	1375.49	1384.22	1386.91

	Oct 27	Oct 26	Oct 25	Oct 24	Oct 21
FT-SE Eurotrack 100	1303.28	1300.71	1296.00	1312.32	1304.75
FT-SE Eurotrack 200	1361.02	1358.10	1356.47	1372.56	1361.84

Base 1000 (26/10/90). High/day: 100 - 1327.38; 200 - 1387.15 Low/day: 100 - 1309.71 200 - 1368.53 † Partial

FRANKFURT did not emphasise short covering, or the percentage point rise in the Dow at the US midday. However, a 27.12 rise to 2,040.32 in the Dax on the official session, which left it up 0.9 per cent on the week at this point, was left far behind in the post bourse where the Ibis-indicated Dax put on 38.49, or 1.9 per cent at 2,064.86.

The day, and the week was marked by relative strength in chemicals. BASF, Bayer and Hoechst rose DM8.40 to DM318, DM8.50 to DM350 and DM4.60 to DM325.60 by the end of the afternoon; Mr Martin Evans at Hoare Govett said that the sector had been excited by Thursday's progress report from ICI, and anticipation of third quarters from DSM, Akzo Nobel and Rhône Poulenc next week before Germany's "Big Three" report later in November.

Turnover rose from DM5.2bn to DM5.4bn. BMW was the carmaker of the day as it produced nine-month turnover figures and the shares rose DM17 to DM771 after hours. Deutsche Bank moved from underperformance during the session to outperformance in the afternoon, where it closed DM17.50 higher at DM739.

ZURICH's rise of 31.9, or 1.3 per cent in the SMI index to 2,490.5 left it 4.5 per cent down on an introspective week.

UBS closed well off its worst for the day, but the bearers still dropped another SFr12 to SFr1,200 and the registered SFr2 more to SFr273, reflecting the board's battle over voting powers with Mr Martin Ebner's BK Vision. Among insurers, however, Winterthur climbed SFr19 to SFr634 ahead of a progress report next Thursday.

AMSTERDAM made a resolute end to the week, the AEX index closing up 5.18 at 409.05 for a week's improvement of 2.3 per cent.

There were good rises in a number of stocks reporting third quarter figures next week, among them Philips which rose Fl 1.60 to Fl 54.10 in heavy volume, and DSM, up Fl 1.10 to Fl 147.80.

Royal Dutch saw one of the best performances, lifted by the dollar and a good overnight set of results from its US subsidiary, Shell Oil, closing with a gain of Fl 5.60 to Fl 195.20.

Nutricia, the manufacturer of baby food, was lifted Fl 1.80 to Fl 89.80 on reports that Unigate of the UK might be about to sell its 32 per cent stake. Unigate denied the reports.

MILAN remained focused on the banking sector following Thursday's news of a L2,000bn bid by Credito Italiano for Bologna-based Credito Romagnolo, which, said some brokers, could herald a shake-up in the sector.

The Comit index ended up 11.48 at 624.21 for a 1 per cent rise on the week.

There were suggestions that the next bid target could be one made by Banca Commerciale Italiana, up L72 at L3,462, for Ambroveneto, up a further L442 to L4,774 on top of a 11 per cent gain on Thursday.

Romagnolo, which said that the takeover bid was "not friendly" put on L798 to L16,878, while Italiano added L16 to L1,605.

MADRID moved from depression to ebullience, the general index rising 4.32, or 1.5 per cent to 295.33 on the day, but only 0.7 per cent on the week.

Turnover was up from Pta19bn to Pta25.1bn, a lot of that in banks which were relatively muted in share price terms. Gains of Pta55 to Pta3,255 in BBV and Pta60 to Pta4,835 in Argentaria compared with rises of 2 to 3 per cent in the big ADR stocks, Endesa, Repsol and Telefónica, 3 per cent or more in constructions and Pta770, or 5.8 per cent in Acerinox, the stainless steel group, which reported a 72 per cent gain in nine-month pre-tax profits on Thursday.

Written and edited by William Cochrane and John Pitt

SOUTH AFRICA

Shares generally made modest gains in low volumes, although activity picked up towards the close helped by strength on Wall Street.

The overall index added 17 to 5,752, industrials 14 to 6,602 but gold slipped 5 to 2,292. De Beers rose 75 cents to R100.50 and Anglos R2 to R238.

ASIA PACIFIC

Malaysian budget subdues Kuala Lumpur

Tokyo

Speculative trading dominated activity, and the Nikkei index closed almost unchanged, *writes Emiko Terazono in Tokyo.*

The Nikkei average rose 8.80 to 19,805.16 after a high of 19,904.08 and a low of 19,725.65, down 0.5 per cent on the week. Shares initially rose on buying by public funds and brokerage dealers; but the gains were eroded later by selling of speculative shares, prompted by rumours that a consumer credit company based in Osaka had been declared bankrupt. Arbitrage buying finally supported the index just before the close.

Volume was 255m shares against 209m. The Topix index of all first section stocks fell 1.12 to 1,567.32 and the Nikkei 300 lost 0.35 to 286.79. Advances led declines by 485 to 462, with 207 issues remaining unchanged.

In London, the ISE/Nikkei 50 index rose 1.57 to 1291.60.

Japan Tobacco, whose shares were listed on Thursday, closed down Y40,000 at Y1.06m. Other privatised companies were also lower with Nippon Telegraph and Telephone down Y2,000 to Y890,000 and Japan Telecom losing Y80,000 at Y3.6m.

Speculative stocks were sold on fears that credit for individual investors could be squeezed. Daikyo, a condominium maker, fell Y6 to Y769 and Hanwa Y17 to Y388.

Foreign investors traded steels and other commodity linked issues: Nippon Steel, the day's most active issue, rose Y2 to Y396 and NKK added Y6 to Y297.

Calsonic, a car parts maker affiliated to Nissan Motor, rose Y27 to Y766 on expectations of brisk earnings. However, car companies were sold on profit-taking, with Nissan down Y8 to Y824 and Toyota Motor losing Y10 to Y2,080.

In Osaka, the OSE average fell 36.20 to 21,929.16 in volume of 44.7m shares.

Roundup

Wall Street's overnight gains had limited effect.

Malaysia cut income taxes in yesterday's budget but the absence of further corporate tax cuts left its equity market relatively subdued.

KUALA LUMPUR saw selling in the final half hour of trade and after a high of 1,119.14, the KLSE composite index ended 11.30 up at 1,113.04, a fraction down on the week.

Brokers said that with the budget springing no positive surprises, the market may fall back into consolidation while investors look for fresh direction.

SYDNEY lost its enthusiasm for commodity-based shares and the All Resources index dipped 7.8 to 1,415.1 as the All Ordinaries finished 11.3 lower at 2,020.9, 0.7 per cent lower on the week.

Golds were among the weakest sectors, losing 1.5 per cent after the bullion price slipped below US$390 overnight. The oil and gas sector was also weaker with Santos going ex-dividend, and Woodside Petroleum stock was upset by a report that BHP was planning to sell its 10 percent stake, falling 7 cents to A$4.95.

BOMBAY faced selling pressure and the BSE 100 index fell 54.03 to 4,274.71, 0.8 per cent down on the week, as institutions made room in their portfolios before a number of private placings.

HONG KONG extended its rebound to a third straight session, the Hang Seng index adding another 74.89 to 9,379.47 which put it 0.4 per cent up on the week.

Anticipation of a Sino-British deal on Hong Kong's new airport financing and indications of an improving local property market continued to bolster sentiment, but turnover stayed sluggish at HK$2.53bn up from Thursday's HK$2.34bn.

Good demand for a recent luxury flat sale by its property unit took Swire Pacific A up HK$1.25 to HK$57. Other property stocks also firmed, with Sun Hung Kai gaining HK$1 to HK$57.25 and Cheung Kong adding 50 cents to HK$36.40.

WELLINGTON ended the day marginally positive, with the NZSE-40 index up 4.74 at 2,095.17, but 1.6 per cent better on the week after another solid performance by Telecom, which rose 4 cents to NZ$5.64.

TAIPEI offered a weak rebound after four straight days of falls, the weighted index closing 10.01 higher at 6,604.98, off a 6,561.71 low, 3.4 per cent lower on the week in turnover of T$41.7bn.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Ltd., Goldman, Sachs & Co. and NatWest Securities Ltd. in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS Figures in parentheses show number of lines of stock	THURSDAY OCTOBER 27 1994 US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	WEDNESDAY OCTOBER 26 1994 US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	DOLLAR INDEX 52 week High	52 week Low	Year ago (approx)
Australia (68)	173.16	1.1	156.70	106.02	134.74	154.90	0.6	3.58	171.30	155.55	105.07	133.17	153.47	189.15	149.36	155.79
Austria (18)	181.85	1.0	164.62	111.38	141.55	141.40	0.9	1.14	179.98	163.44	110.40	139.92	140.08	188.89	167.48	177.75
Belgium (35)	169.73	0.4	153.65	103.96	132.11	128.81	0.4	4.29	169.08	153.54	103.71	131.44	128.29	177.04	149.33	150.03
Canada (103)	136.26	0.6	123.35	83.46	106.06	133.08	0.1	2.65	136.31	123.78	83.61	105.97	132.98	145.31	120.54	131.78
Denmark (33)	255.74	-0.5	231.52	156.64	199.08	203.48	-0.3	1.46	257.03	233.41	157.66	199.81	204.14	275.79	230.27	235.73
Finland (24)	201.41	1.4	182.33	123.36	156.77	192.10	1.6	0.73	198.71	180.45	121.89	154.48	189.15	201.41	116.86	123.90
France (101)	168.16	1.0	152.17	102.98	130.84	135.12	1.2	3.21	166.38	151.07	102.04	129.33	133.55	185.37	159.34	168.73
Germany (58)	142.58	-0.3	129.07	87.33	110.98	110.98	-0.2	1.67	142.98	129.84	87.70	111.15	111.15	150.40	128.37	132.30
Hong Kong (56)	377.73	0.4	341.95	231.36	294.02	374.75	0.4	3.31	376.14	341.57	230.72	292.42	373.17	508.58	341.29	356.03
Ireland (14)	208.31	0.6	188.57	127.59	162.14	181.92	0.7	3.48	207.16	188.12	127.07	161.05	180.80	216.60	171.66	172.81
Italy (59)	77.07	0.6	69.77	47.20	59.99	87.98	0.1	1.78	77.08	69.97	47.26	59.90	87.92	87.76	57.88	67.89
Japan (468)	162.34	0.2	146.96	99.43	126.36	99.43	0.1	0.77	161.94	147.06	99.33	125.80	99.33	170.10	124.54	150.80
Malaysia (97)	542.71	-0.3	491.30	332.40	422.44	533.30	-0.3	1.67	544.50	494.46	333.98	423.30	535.02	621.63	430.71	466.33
Mexico (18)	2118.88	-0.3	1917.98	1297.65	1649.12	7938.63	-0.2	1.29	2124.80	1929.49	1303.28	1651.79	7955.80	2647.08	1896.28	1967.70
Netherland (19)	218.14	0.8	197.48	133.61	169.80	167.09	1.0	3.46	216.28	196.41	132.66	168.14	165.46	219.75	187.01	192.35
New Zealand (14)	75.44	1.5	68.26	46.21	58.72	65.20	1.3	3.73	74.33	67.50	45.59	57.79	64.38	77.59	59.22	65.89
Norway (23)	205.21	-0.4	185.77	125.69	159.73	181.26	-0.3	1.82	206.09	187.14	126.41	160.21	181.81	211.74	165.52	179.44
Singapore (44)	397.43	0.2	359.75	243.42	309.35	289.22	0.0	1.57	396.62	360.17	243.26	308.34	289.14	399.01	294.66	328.92
South Africa (59)	336.89	-0.7	304.97	206.34	262.22	283.43	0.4	2.18	339.40	308.21	208.16	263.86	292.28	342.00	202.72	214.23
Spain (38)	140.80	0.8	127.46	86.24	109.59	132.79	0.8	4.38	139.67	126.83	85.67	108.59	131.74	155.79	128.88	141.56
Sweden (36)	242.34	0.2	219.39	148.43	188.64	254.59	0.6	1.57	241.78	219.54	148.29	187.95	252.98	242.34	175.83	201.41
Switzerland (47)	161.28	-1.0	146.00	98.79	125.54	125.09	-0.9	1.94	162.98	148.00	99.97	126.70	126.25	176.56	143.64	146.18
United Kingdom (204)	201.72	1.2	182.61	123.55	157.02	182.61	0.9	4.17	199.23	180.91	122.20	154.88	180.91	214.96	181.11	185.42
USA (515)	190.13	0.7	172.12	116.45	147.99	190.13	0.7	2.86	188.84	171.49	115.83	146.80	188.84	196.04	176.95	169.31
EUROPE (707)	172.51	0.6	156.17	105.96	134.28	147.29	0.6	3.17	171.46	155.72	105.18	133.30	146.46	178.58	154.79	160.07
Nordic (118)	233.85	0.2	211.69	143.23	182.02	209.99	0.5	1.41	233.28	211.84	143.09	181.36	208.85	233.81	173.19	190.25
Pacific Basin (747)	171.51	0.3	155.26	105.05	133.50	110.17	0.1	1.10	171.04	155.32	104.91	132.97	110.01	178.86	134.79	158.50
Euro-Pacific (1454)	171.81	0.4	155.53	105.23	133.73	125.14	0.3	1.98	171.10	155.37	104.95	133.01	124.74	175.14	143.88	159.04
North America (618)	185.79	0.7	168.08	114.40	145.39	185.16	0.7	2.85	185.59	168.52	113.83	144.27	184.98	192.73	175.87	185.74
Europe Ex. UK (503)	153.27	0.2	138.75	93.87	119.30	126.68	0.3	2.56	152.94	138.88	93.81	118.89	126.25	159.12	135.94	141.14
Pacific Ex. Japan (279)	260.98	0.5	236.24	159.84	203.13	231.33	0.4	2.83	259.80	235.93	159.36	201.97	230.44	298.21	232.54	233.05
World Ex. US (1634)	173.71	0.4	157.25	106.39	135.21	128.91	0.3	1.99	173.07	157.16	106.15	134.54	128.51	176.65	145.58	159.61
World Ex. UK (1945)	175.84	0.4	159.18	107.70	136.87	144.17	0.4	2.09	175.16	159.05	107.43	136.16	143.61	178.59	155.99	168.63
World Ex. So. Af. (2090)	177.09	0.5	160.31	108.46	137.94	146.61	0.4	2.29	176.22	160.02	108.09	136.99	145.97	180.03	158.54	168.44
World Ex. Japan (1681)	188.60	0.6	170.73	115.51	146.80	176.02	0.6	2.68	187.51	170.28	115.02	145.77	174.99	195.20	176.34	179.98
The World Index (2149)	178.12	0.5	161.25	108.16	138.64	147.89	0.4	2.29	177.27	160.98	108.73	137.81	147.05	180.80	168.65	166.65

Latest prices were unavailable for this edition.

Constituent change 28/10/94: Name change: National Intergroup to Foxmeyer Health Corp. (USA).

LONDON EQUITIES

LIFFE EQUITY OPTIONS

Option		Calls Jan	Apr	Jul	Puts Jan	Apr	Jul
Allied Domecq	550	56	65	71	7	13½	22
(*596)	600	22½	34½	42	27½	34	46
Argyll	260	14½	22½	25½	15	20½	25½
(*261)	280	7	13½	17	28	32½	37½
ASDA	60	5½	7	8½	4	6	7
(*61)	70	2	3½	6	11½	12½	13½
Brit Airways	330	36	46	51½	8½	14	21½
(*356)	360	16	28½	35	22	27½	34½
Smith Bchm A	390	27	38½	43	15½	22½	27½
(*404)	420	12½	22½	29	32	39	43½
Boots	500	37½	51	57½	11	17½	26
(*526)	550	12½	28	32½	39	43½	51½
BP	420	25	33½	40	15	22	27
(*420)	460	6	15½	23½	39½	45	48½
British Steel	140	24	27½	30	3	4½	7
(*159)	160	6½	16	16½	16½	12½	16
Bass	550	25	35	43	28	33½	41
(*555)	600	7½	16½	24	65½	69½	74
Cable & Wire	390	38½	51	69½	13	16½	26½
(*413)	420	24	35	44	26½	33	41
Courtaulds	420	36½	40	46	15½	18½	28½
(*435)	460	11½	22	27½	38	42½	50½
Comm Union	543	31½	38½	-	16	32½	-
(*548)	582	11½	18½	-	50½	65	-
ICI	750	64½	76½	86	13½	30½	28
(*793)	800	34	48	58	33	56	63
Kingfisher	460	35½	49	53	15½	25	32
(*472)	500	13½	30½	34½	38	46	53½
Land Secur	600	27	40½	46½	16½	22	38
(*610)	650	7½	18½	23½	32	53½	64½
Marks & S	390	33	42	46½	6½	12½	14
(*414)	420	15	24½	31	16	25	27
NatWest	500	28½	30½	47½	22	36½	42
(*501)	550	11	18½	27	55	68½	73½
Sainsbury	390	26½	39	46½	14	21	28
(*401)	420	11	24½	32	31	36½	44
Shell Trans.	700	49	58½	65½	16	23	28
(*730)	750	16½	30½	38	33	49	53½
Storehouse	200	26	29	33	3	5	7½
(*216)	220	12½	17	21½	18½	13	15½
Trafalgar	80	8	11½	13	5	7	9½
(*82)	90	4	6½	6½	11½	13½	14½
Unilever	1100	68	78	51	23	38½	80
(*1132)	1150	31	52	64½	48½	65	75½
Zeneca	800	70½	82½	90½	12½	27½	32½
(*849)	850	38½	53	62½	32	50½	36
Option		Nov	Feb	May	Nov	Feb	May
Grand Met	390	27	35½	41½	4	15½	19
(*413)	420	9½	18½	28½	17½	31	35
Ladbroke	140	16½	22	24½	2	5½	6½
(*152)	160	3½	11	14½	11½	15	19½
Utd Biscuits	300	11½	23	27	6	13½	23
(*301)	330	2½	10½	14½	31½	33	43
Option		Dec	Mar	Jun	Dec	Mar	Jun
Fisons	110	11½	16	20½	5½	6	10½
(*116)	120	6½	11½	16½	11½	14	15½
Option		Nov	Feb	May	Nov	Feb	May
Brit Aero	420	46½	62½	70½	6	17	26½
(*456)	460	23	39	46½	24	35	40
BAT Inds	420	26½	42	46½	5	14½	25½
(*440)	460	7	20½	27½	25½	34½	46½
BTR	300	16	28	32	4	6½	16½
(*312)	330	4	12½	17½	22	26½	34
Brit Telecom	360	32½	36½	42	1½	7½	11½
(*389)	390	8½	17	20	9	20½	24
Cadbury Sch	420	28½	41	45½	3	8½	17½
(*441)	460	5	19	24	23	28	36½
Eastern Elec	750	32½	58	76½	22½	41½	52
(*766)	800	11½	36	52½	51	69½	77
Guinness	460	13½	28½	36	7	15½	24½
(*465)	500	3	12½	17½	37½	41	48
GEC	280	22	25½	31½	1½	6	8½
(*278)	300	6	14½	19½	7½	14½	17½

Option		Calls Nov	Feb	May	Puts Nov	Feb	May
Hanson	220	14	16	21	3	7½	12
(*229)	240	3	6	12	13	16½	22½
Lasmo	124	16	-	-	2	-	-
(*140)	154	4	-	-	9	-	-
Lucas Inds	180	16	21	25½	2½	7	11
(*190)	200	4½	11	15½	13	17½	21
P & O	600	36½	54½	65½	6½	16	33
(*626)	650	10½	28	39½	31½	41½	60½
Pilkington	180	16	16	23½	2	5½	8
(*192)	200	4	6½	13	11½	17	20½
Prudential	300	25½	34½	37½	2	7	14
(*321)	330	6	16½	21	14	20½	23½
RTZ	850	26½	52½	68	14½	31	48½
(*857)	900	5½	28½	39	49	60	77
Redland	460	22½	38	47½	7	17	31½
(*472)	500	5	20½	28½	33	39½	56
Royal Insce	280	17	27	33½	6	13½	20½
(*289)	300	7	17	24½	17½	24	31
Tesco	220	20	26½	31½	2	5	11
(*236)	240	9½	14½	20	9½	15	20½
Vodafone	200	16	22	30½	3	6	11½
(*211)	217	9	13	-	11	17½	-
Williams	325	24	-	-	2½	-	-
(*344)	354	5½	-	-	13½	-	-
Option		Jan	Apr	Jul	Jan	Apr	Jul
BAA	500	27½	38	48	13½	16	23½
(*512)	525	16½	29	-	27	31	-
Thames Wtr	500	34	47	54	15½	21½	32
(*521)	550	11½	24½	30½	45	49½	59½
Option		Dec	Mar	Jun	Dec	Mar	Jun
Abbey Natl	390	39	48	51½	5	14	18½
(*419)	420	16½	29	34	15	27½	33
Amstrad	25	4	6	6½	1½	2½	3
(*28)	30	2	3	4	3½	5	6
Barclays	550	48	58½	68½	8½	21	28½
(*581)	600	17	32	42	31	46½	54½
Blue Circle	280	16	23	28	12	18	24
(*280)	300	6½	14	19	25	28	36
British Gas	280	21½	28½	34	5	9½	16
(*294)	300	6½	16½	23	13	16	25
Dixons	180	22½	27	32	4½	9½	12½
(*198)	200	6½	16	21½	12½	16	23
Hillsdown	180	14½	15½	22	4½	7	11
(*171)	180	4½	9	12	15½	16	24
Lonrho	130	10	15½	19	5½	10½	12
(*124)	140	7	11	14	11	16½	17
Natl Power	460	39	61	61½	6	16	25
(*490)	500	16½	28½	40	26½	24	44
Scot Power	330	36	43	52½	8½	15	18½
(*356)	360	17½	26	37½	19	28½	33½
Sears	100	12	14½	18	2	4	6
(*108)	110	6½	9	10½	5½	8½	11½
Forte	220	31	38	38½	2½	4	6
(*226)	220	15	22	28	7½	9½	16
Tarmac	120	9	15	18½	7	10½	14
(*121)	130	6	10½	14	13½	16	19½
Thorn EMI	950	52½	66½	80½	19½	21	39½
(*977)	1000	24	40½	61	38½	58	63½
TSB	200	28½	29½	32½	2½	7½	10½
(*219)	220	12½	16½	21	9	16½	18½
Tomkins	200	17	22	26½	6½	6	12½
(*209)	220	6½	12½	16½	15½	21	23½
Wellcome	500	50½	39	61	16	29	41½
(*629)	650	23	43½	55½	41½	54	80
Option		Jan	Apr	Jul	Jan	Apr	Jul
Glaxo	550	67½	78	88	11½	24	29½
(*599)	600	36	50	62½	61	46½	52½
HSBC 75p shs	700	55½	71½	82	27	50	60
(*716)	750	31½	47½	59	55	79	88½
Reuters	460	38	47	56	13	22½	27½
(*477)	500	16	27	38	34	43½	48
Option		Nov	Feb	May	Nov	Feb	May
Rolls-Royce	160	17½	23	26½	2	5	6
(*173)	180	5	12	15½	10	14	19½

* Underlying security price. Premiums shown are based on closing offer prices.
October 28, Total contracts: 38,074 Calls: 20,050 Puts: 18,024

RISES AND FALLS

	On Friday Rises	Falls	Same	On the week Rises	Falls	Same
British Funds	63	1	7	126	167	42
Other Fixed Interest	4	6	10	6	16	48
Mineral Extraction	74	42	60	265	261	434
General Manufacturers	148	101	386	510	740	1,933
Consumer Goods	52	22	113	158	223	554
Services	95	63	337	338	506	1,631
Utilities	35	3	7	102	74	49
Financials	129	48	185	362	460	1,003
Investment Trusts	212	17	236	470	509	1,346
Others	64	20	28	198	212	156
Totals	876	317	1,392	2,535	3,208	7,196

Data based on those companies listed on the London Share Service.

TRADITIONAL OPTIONS

First Dealings	October 24	Expiry	January 26
Last Dealings	November 4	Settlement	February 9

Calls: Air London, Aminex, Aviva Pet, Cons Murchison, Crossroads Oil, Hanson Wts, Morrison (Wm), Stanhope, Tullow Oil. Puts & Calls: Hanson Wts, Medeva.

LONDON RECENT ISSUES: EQUITIES

Issue price p	Amt paid up	Mkt. cap (£m.)	1994 High	Low	Stock	Close price p	+/-	Net div.	Div. cov.	Grs yld	P/E net
-	F.P.	0.88	6½	4	APTA Wnts.	6½	+1	-	-	-	-
-	F.P.	9.29	73	63	Artesian Ests.	69	+3	-	-	-	-
100	F.P.	178.0	93	89	BZW Commodities	89		-	-	-	-
-	F.P.	18.0	47	42	Do. Wrts	45		-	-	-	-
-	F.P.	1.30	1½	1	Cont'l Foods Wrts	1¼		-	-	-	-
63	F.P.	12.2	88	86	Ennemix	87		RN0.71	5.3	1.3	6.4
-	F.P.	50.4	124	108	Filtronic C'tek	120		RN0.75	2.6	0.8	40.4
115	F.P.	39.1	128	115	Games Workshop	126		RN4.6	2.2	4.6	11.6
-	F.P.	2.24	35	27	Group Dv Cap Wts	27		-	-	-	-
-	F.P.	29.0	62	58	Hambros Sm Asian	58		-	-	-	-
-	F.P.	2.70	30	27	Do Warrants	27		-	-	-	-
180	F.P.	169.0	223	205	Irish Permanent	222	+7	uN5.0	4.6	3.4	7.7
180	F.P.	17.9	195	178	Mackie Intl	186		RN6.0	2.2	4.0	7.6
180	F.P.	424.0	181	160	Man ED & F	165	+4	RN6.5	1.6	5.5	9.1
-	F.P.	338.1	486	475	Prolific Inc.	483	+4	-	-	-	-
135	F.P.	68.7	149	136	Servisair	148		RN3.8	1.3	3.3	23.7
-	F.P.	111.0	379	355	Templeton E New	358		-	-	-	-
-	F.P.	8.28	62	57	Whitchurch	62	+1	RN1.25	3.0	2.5	13.6
-	F.P.	28.2	360	335	Wrexham Water	338		-	-	-	-
-	F.P.	4.74	330	320	Do. NV	320		-	-	-	-

RIGHTS OFFERS

Issue price p	Amount paid up	Latest Renun. date	1994 High	Low	Stock	Closing price p	+or-
17	Nil	2/12	2pm	¼pm	APTA Health	¾pm	+¼
116	Nil	28/11	20pm	9pm	Cattles	9pm	
Ir4p	Nil	25/11	¾pm	¼pm	Dragon Oil	¼pm	
180	Nil	9/12	15½pm	5pm	Sidlaw	8pm	+1
Ir330p	Nil	29/11	59pm	25pm	Smurfit (J)	39pm	+14
5	Nil	15/11	2½pm	¾pm	¶Union Square	¾pm	

FINANCIAL TIMES EQUITY INDICES

	Oct 28	Oct 27	Oct 26	Oct 25	Oct 24	Yr ago	*High	*Low
Ordinary Share	2345.1	2310.8	2298.5	2301.6	2325.2	2398.6	2713.6	2246.6
Ord. div. yield	4.38	4.45	4.47	4.47	4.41	3.87	4.51	3.43
Earn. yld. % full	6.25	6.34	6.37	6.37	6.31	4.46	6.51	3.82
P/E ratio net	18.42	18.16	18.08	18.08	18.24	28.07	33.43	16.94
P/E ratio nil	17.96	17.70	17.61	17.62	17.78	25.89	30.80	17.08

*For 1994. Ordinary Share index since compilation: high 2713.6 2/02/94, low 49.4 26/6/40
FT Ordinary Share index base date 1/7/35.

Ordinary Share hourly changes

Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.00	High	Low
2320.2	2317.7	2312.0	2310.6	2309.1	2309.8	2317.6	2334.2	2343.4	2346.4	2302.3

	Oct 28	Oct 27	Oct 26	Oct 25	Oct 24	Yr ago
SEAQ bargains	22,467	21,112	21,225	24,673	22,654	36,032
Equity turnover (£m)†	-	1109.6	999.6	1211.5	947.6	1636.2
Equity bargains†	-	24,353	24,627	27,312	26,376	40,551
Shares traded (ml)†	-	465.2	434.7	487.1	420.8	726.4

†Excluding intra-market business and overseas turnover.

FT GOLD MINES INDEX

	Oct 27	% chg on day	Oct 26	Oct 20	Year ago	Gross div yield %	52 week High	Low
Gold Mines Index (34)	2210.80	-1.9	2253.59	2268.77	1973.80	1.83	2367.40	1792.82
¶ Regional Indices								
Africa (18)	3629.98	-0.4	3644.76	3684.59	2717.72	3.72	3711.87	2304.45
Australasia (7)	2891.28	-0.3	2898.86	2876.89	2162.65	1.59	3013.89	2162.65
North America (11)	1686.06	-3.3	1745.47	1784.35	1734.05	0.79	2039.65	1468.11

Figures in brackets show number of companies. Basis US Dollars. Base Values: 1000.00 31/12/92. Predecessor Gold Mines Index: Oct 28: 279.4 ; day's change: -2.0 points; Year ago: 225.5 † Partial. Latest prices were unavailable for this edition.

LONDON SHARE SERVICE

BANKS

	Notes	Price	+ or -	1994 high	1994 low	Mkt Cap£m	Yld Gr's	P/E
ABN Amro Fl		£21½	+⅜	£26⅝	£19⅝	6,917	5.2	ф
ANZ A$		172	-1	278¼	111	2,289	5.3	26.8
Abbey National	†N	421	+8½	523	380½	5,523	4.8	14.2
Allied Irish IE	♣†N	290	+2	314	233	1,606	5.0	0.0
Anglo Irish IE	MN	58	---	*70	50	199.6	1.4	10.8
Asahi Y		666¼	-3½	918¼	628	15,971	0.8	ф
Banco Bil Viz Pta		£15⅝	+⅛	£18⅞	£14½	3,610	8.1	7.2
Banco Sant Pta		£28⅛	---	*£30¼	£23¾	4,288	5.0	8.0
Bk Ireland IE	♣	284	+6	*310	246	1,347	4.8	8.2
Bank Scotland	♣†N	205xd	+8½	247	172½	2,392	3.2	11.6
9¼pc Pf		106¼xd	+½	141½	108	106.8	10.0	-
8¾pc Pf		112xd	+½	149¼	111¼	172.0	10.9	-
Barclays	♣†N	582	+7	640	487	9,480	3.5	16.0
Dai Ichi Kan Y		£10⅝	-⅛	£12¾	£10⅛	34,101	8.5	-
Deutsche DM		£301⅜	+9⅜	£344¼	£270⅝	14,302	2.2	-
Espirito Santo		£9⅝	+⅛	*£13⅜	£8⅝	181.8	4.1	4.6
First Nat Fin	N	66	---	*90	60	114.8	2.8	-
6.3pc Cv Pf		71	---	*90	71	4.77	11.1	-
7pc Cv Pf		125½	---	171	123	89.6	1.0	-
Fuji Bank Y		1341½	-4	1549¼	1152½	38,864	0.4	ф
HSBC HK	†N	724½xd	+11½	1133	680	12,678	4.2	10.5
HSBC (75p Shs)	†N	718xd	+7	1113	660	6,118	4.3	10.4
Lloyds	†N	586	+10	660	519	7,367	5.1	11.2
Mitsubishi Y		£10⅛	-⅛	£15⅜	£15¼	43,564	0.4	ф
Mits Tst & Bk Y		943	+¼	1162¼	687½	11,288	0.5	15.0
Mitsui Tst & Bk Y		702½	-¼	879	614	8,410	0.8	23.7
Nat Aust A$	†	480	-2	620¼	473	6,425	5.0	18.5
NatWest	†N	602	+10	622	421	8,584	4.8	9.3
Ocommoe FFr		£22	+¼	£33	£21¼	110.8	6.6	ф
Ryl Bk Scotland	♣†N	439	+14	528	377½	3,516	3.4	18.8
Sakura Y		£8¼	-⅛	£9⅝	£8⅛	27,376	0.7	51.2
Sanwa Y		£12⅜	+⅛	£10⅜	£11⅜	38,895	0.4	-
Standard Chartd	†N	290	+4	*359¼	220	2,792	2.7	10.0
7 3/8pc Pf		85	+¼	108½	82¼	85.0	10.8	-
Sumitomo Y		£11⅞	-¼	£16⅛	£11⅛	38,577	0.5	24.2
Sumitomo Tst Y		905	+10½	1148½	825	11,256	0.6	ф
TSB	†N	210	+1½	291	197	3,352	4.8	11.0
Tokai Y		£7⅜	+⅛	£9	£6⅝	15,423	0.8	47.8
Toyo Tst 0 Bk Y		716	+12½	882	586¼	5,620	0.7	63.4
Westpac A$		204	+2¼	280	194	3,710	2.7	ф
Yasuda Tst Bk Y	‡	645¼	+¼	858	442	6,021	0.8	48.4

BREWERIES

	Notes	Price	+ or -	1994 high	1994 low	Mkt Cap£m	Yld Gr's	P/E
Ascot Hldgs		2	---	10¼	1½	7.42	-	-
Bass	†N	553	+6	610	485	4,827	4.1	14.5
Boddington	†N	253	---	289	250	308.9	4.1	13.6
Burtonwood	N	198	---	198	158	38.7	3.4	15.5
Eldridge Pope A	♣†N	168	+1	181	143	32.7	2.7	23.3
Fosters A$		55	---	66	46¼	1,770	5.0	ф
Fuller STA	♣♣N	309	---	403	205	77.5	2.6	15.7
Gibbs Mew	♣♣N	459	---	*460	348¼	48.5	2.4	ф
Greenalls	♣†N	409	+4	511	399	654.8	3.9	15.7
Greene King	N	529	---	594	452	223.8	3.0	14.7
Grosvenor Inns	♣♣N	143	---	*166	124	19.0	4.2	ф
Hall LD	†N	3500xd	-27	3773	3125	108.4	1.7	19.6

BUILDING & CONSTRUCTION

BUILDING MATS. & MERCHANTS

CHEMICALS

DISTRIBUTORS

DIVERSIFIED INDUSTRIALS

ELECTRICITY

ELECTRONIC & ELECTRICAL EQPT

ELECTRONIC & ELECTRICAL EQPT - Cont.

ENGINEERING

ENGINEERING, VEHICLES

EXTRACTIVE INDUSTRIES

FOOD MANUFACTURERS

GAS DISTRIBUTION

HEALTH CARE

HEALTH CARE - Cont.

HOUSEHOLD GOODS

INSURANCE

INVESTMENT TRUSTS

INVESTMENT TRUSTS - Cont.

LONDON SHARE SERVICE

INVESTMENT TRUSTS - Cont.

	Notes	Price	+ or -	1994 high	1994 low	Yld Gr's	NAV	Dis or Pm(-)
Perpetual Japan	□	198½	+1	120	89	–	99.7	-2.7
Warrants	□	47	——	88	47	–	–	–
Personal Assets		237xd	——	294	179	2.8	614.7	-1.8
Pilot Inv	N□	125	+1	153	124	1.8	124.0	-.8
Warrants	□	44	——	98	40½	–	–	–
Piper Euro Smlr	□	94	——	98	91	–	90.1	-4.1
Warrants	□	41	——	43	33	–	–	–
Primadona	N	270	——	293	261	2.1	301.4	10.4
Ptarmigan Intl	♣N□	222	——	*276	206	1.9	239.0	7.1
Warrants		81	——	140	78	–	–	–
RIT Capital	♣N□	179	——	189	164½	1.1	214.4	16.4
2½pc Cv Ln 2000		£175	–	£186½	£170½	1.4	–	–
Radiotrust		78	——	88	68	–	71.3	1.8
Rights & Iss Inc	KN	155	——	164	133	7.3	–	–
Cap	N	478	——	545	440	2.3	539.1	11.3
Riv & Merc Am Inc	N	104xd	——	121	104	0.4	–	–
Cap	□	29½	+½	38	29	–	40.1	26.4
Warrants		14	——	17	13	–	–	–
Riv & Mer Ext	N□	93xd	+1	167	81	10.5	101.1	8.0
Warrants		21	——	40	21	–	–	–
Zero Div Pf		199	——	118½	109	–	–	–
Riv & Mer Geared	N	97	——	116	95	11.8	–	–
Prfd Cap 1999		28	——	30	23	–	33.4	16.2
Riv & Merc Smllr	N□	122xd	——	170	118	4.2	135.7	10.1
Warrants		37	——	17	31	–	–	–
Riv & Merc Tst Inc	N□	114	——	137	112½	16.1	–	–
Cap	□	123	+1	150	119	–	187.1	34.5
Warrants		27	——	48	27	–	–	–
Do. Stpd Prf	8	149xd	——	155	144	5.8	–	–
River Plate Inc	N□	188	——	115	100	18.8	–	–
Cap	□	76	——	116	76	–	123.8	38.6

[illegible]

OTHER INVESTMENT TRUSTS

[illegible]

INVESTMENT COMPANIES

[illegible]

LEISURE & HOTELS

[illegible]

LEISURE & HOTELS - Cont.

[illegible]

LIFE ASSURANCE

[illegible]

MEDIA

[illegible]

MERCHANT BANKS

[illegible]

OIL EXPLORATION & PRODUCTION

[illegible]

OIL EXPLORATION & PRODUCTION - Cont.

[illegible]

OIL, INTEGRATED

[illegible]

OTHER FINANCIAL

[illegible]

OTHER SERVICES & BUSINESSES

[illegible]

PHARMACEUTICALS

[illegible]

PRINTING, PAPER & PACKAGING

[illegible]

PROPERTY

[illegible]

PROPERTY - Cont.

[illegible]

RETAILERS, FOOD

[illegible]

RETAILERS, GENERAL

[illegible]

RETAILERS, GENERAL - Cont.

[illegible]

SPIRITS, WINES & CIDERS

[illegible]

SUPPORT SERVICES

[illegible]

TELECOMMUNICATIONS

[illegible]

TEXTILES & APPAREL

[illegible]

TOBACCO

[illegible]

TRANSPORT

[illegible]

TRANSPORT - Cont.

[illegible]

WATER

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

	Notes	Price	+ or -	1994 high	1994 low	Mkt Cap£m	Yld Gr's
TVX Gold	♥	458¼p	-2	490½p	338¼p	722.3	–
Toronto-Dom		9¼xd	+⅛	11¼	8⅛	2,782	4.8
Trans Can Pipe	♥	7⅞	——	10⅞	7⅛	1,425	4.9

SOUTH AFRICANS

	Notes	Price	+ or -	1994 high	1994 low	Mkt Cap£m	Yld Gr's	P/E
Anglo Am Ind		£28¼	+¼	£30	£13½	1,930	2.5	21.8
Barlow	Z	84⅛	——	£5⅛	£3⅛	960.0	0.7	–
Gold Flds Prop R		118xa	——	128	75	12.7	7.8	Φ
NK Props		95	——	80	85	3.82	12.4	–
SASOL	♥	687	——	682	280	3,321	2.4	–
SA Brews		£14⅛	——	£15⅛	£10	3,988	1.0	23.5
Tiger Oats	†	728	——	838	538	1,094	2.2	15.4
Tongaat-Hulett	h	695	——	*695	356¼	633.4	1.8	19.4

GUIDE TO LONDON SHARE SERVICE

Prices for the London Share Service delivered by Extel Financial, a member of the Financial Times Group.

Company classifications are based on those used for the FT-SE Actuaries Share Indices.

Closing mid-prices are shown in pence unless otherwise stated. Highs and lows are based on intra-day mid- prices.

Where stocks are denominated in currencies other than sterling, this is indicated after the name.

Symbols referring to dividend status appear in the notes column daily as a guide to yields and P/E ratios. Dividends and Dividend covers are published on Monday.

Market capitalisation shown is calculated separately for each line of stock quoted.

Estimated price/earnings ratios are based on latest annual reports and accounts and, where possible, are updated on interim figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation, excluding exceptional profits/losses and unrelieved ACT where applicable. Yields are based on mid-prices, are gross, adjusted for a dividend tax credit of 20 per cent and allow for value of declared distribution and rights.

Estimated Net Asset Values (NAVs) are shown for Investment Trusts, in pence per share, along with the percentage discounts (Dis) or premiums (Pm -) to the current closing share price. The NAV basis assumes prior charges at par value, convertibles converted and warrants exercised if dilution occurs.

- □ Indicates the most actively traded stocks. This includes UK stocks where transactions and prices are published continuously through the Stock Exchange Automated Quotation system (SEAQ) and non-UK stocks through the SEAQ International system.
- \- Highs and lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- Φ Figures or report awaited
- ♥ Rule 2.1(a)(v) Overseas incorporated companies listed on an approved exchange.
- ♣ Free annual/interim report available, see details below.
- ⁂ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Rule 4.2(a) UK & Irish incorporated non-listed companies.
- # Price or time of suspension
- ¶ Indicated dividend yield after pending scrip and/or rights issue.
- ♦ Merger bid or reorganisation in progress
- § Forecast dividend yield; p/e based on earnings updated by latest interim statement.
- ♠ Unregulated collective investment scheme.

a Yield based on annualised dividend
b Figures based on prospectus or other official estimates.
c Cents.
f Flat yield.
g Assumed dividend yield after rights issue.
h Assumed dividend yield after scrip issue.
n Rights issue pending
q Earnings based on preliminary figures.
s Dividend yield excludes a special payment.
t Indicated dividend yield, p/e ratio based on latest annual earnings.
u Forecast, or estimated annualised dividend yield, p/e based on previous year's earnings
v Not subject to ACT.
4 Dividend yield includes a special payment
F Yield based on prospectus or other official estimates for 1994-95
G Assumed yield after pending scrip and/or rights issue.
H Yield based on prospectus or other official estimates for 1993.
J Yield based on prospectus or other official estimates for 1994
L Estimated annualised yield, p/e based on latest annual earnings.
M Yield based on prospectus or other official estimates for 1993-94
N Figures based on IIMR 'Headline Earnings'
P Figures based on prospectus or other official estimates for 1994.
R Forecast annualise yield, p/e based on prospectus or other official estimates.
T Figures assumed.
W Pro forma figures.
Z Dividend yield to date.

Abbreviations:
xd ex dividend;
xc ex scrip issue;
xr ex rights;
xa ex all;
xd ex capital distribution.

This service is available to companies whose shares are regularly traded in the United Kingdom for a fee of £1235 a year for each security shown, subject to the Editor's discretion

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FINANCIAL TIMES
Weekend October 29/October 30 1994

Rumbold move sparks fresh controversy

Major rebuts claims of ministerial impropriety

By Kevin Brown, Political Correspondent

Mr John Major angrily rejected allegations of ministerial impropriety yesterday, and promised full co-operation with the director of public prosecutions' inquiries into claims that Mr Mohamed Fayed tried to blackmail the government.

Clearly annoyed by a fresh controversy over the resignation from a lobbying firm of Dame Angela Rumbold, a Conservative party deputy chairman, Mr Major rebuked reporters who questioned him about her position during a visit to Wales.

"If you want to know about Angela's position, then you had better ask Angela. It is not a matter for me," he said. "I am not responsible for the headlines. I am not responsible for tittle-tattle."

Mr Major's outburst suggested that the strain of dealing with a week-long onslaught was taking its toll. But there was no sign of an end to the stream of accusations from opposition MPs.

Dame Angela, MP for Mitcham and Morden, said she resigned as a director of Decision Makers to prevent the firm being "dragged into some kind of unpleasant dogfight with the press".

Dame Angela, who had registered her interest in the firm, said the "campaign of innuendo" against the government "is becoming a quite unpleasant witch-hunt".

Labour claimed she had offered an "inside track" to the company during its successful campaign to have a station on the proposed Channel tunnel high-speed rail line sited at Ebbsfleet, Kent. Mr Michel Meacher, shadow transport secretary, accused Dame Angela of "hiring out her position and contacts" to businesses.

Downing Street said Mr Major took no part in the Ebbsfleet decision. He met the Ebbsfleet campaigners only once, by accident at a social engagement. The transport department said Mr Brian Mawhinney, transport secretary, had never met them.

Mr John McGregor, transport secretary until July, was also said to have had no official meetings with the campaigners, but they did meet Mr Roger Freeman, then transport minister of state.

Mr Major, who had hoped that his announcement of a standing committee chaired by Lord Nolan would stop the sleaze allegations, said he would speak to the DPP about the blackmail allegations.

Mr Major also reaffirmed his confidence in Mr Jonathan Aitken, treasury chief secretary, who denies claims that he paid only half the bill for a stay at Mr Fayed's Paris Ritz hotel.

Friends of Mr Aitken said he was expected to release the documentary evidence which led Sir Robin Butler, the cabinet secretary, to clear him of accepting hospitality as a gift.

Meanwhile, a Harris poll for ITN suggested that 66 per cent of people think MPs' standards have declined since 1979, and 85 per cent think MPs should not receive money from lobbyists.

Tories put on brave face, Page 5
A better class of corruption, Weekend FT, Page I

Tobacco companies face ban on ads in China

By Tony Walker in Beijing and Roderick Oram in London

China plans to ban cigarette advertising in the media and in public places, threatening moves by foreign tobacco companies to expand into potentially the world's most lucrative market.

A new law, published in local newspapers yesterday, appeared to contain provisions outlawing tobacco advertising that are more restrictive than those in many western countries.

The law, due to come into effect in February, will ban tobacco advertising in films, television, newspapers and magazines. Advertising is also "forbidden" in waiting rooms, theatres and cinemas, conference halls and sports venues.

The Chinese smoke one-third of the world's cigarettes and the prospects of continued growth in the market have attracted foreign makers, facing flagging markets in the west. In Beijing, the representative of a leading tobacco company said the law appeared highly restrictive, but the company would seek clarification.

Philip Morris and RJR Nabisco of the US, and Rothmans International of the UK have established manufacturing joint ventures in China, and other companies are exporting. All are operating in an industry dominated by China's state tobacco monopoly, which has 96 per cent of the market and is reputedly the world's biggest cigarette producer.

One British manufacturer said that restrictions could make it harder for foreign companies to woo smokers away from Chinese brands.

Companies have been spending heavily on advertising in China. Phillip Morris, through its Marlboro brand, sponsors the national soccer league, and others are also active in the sporting arena. Cigarette advertising on hoardings is also widespread, although whether existing hoardings will survive the new law is not clear.

Foreign tobacco industry representatives attribute the new law's apparently tough provisions to China's desire, where possible, to bring itself into line with international standards.

Interest among foreign companies in the potential of the China market is understandable, given the numbers involved. According to a survey last year by the State Statistical Bureau, 298m people over the age of 15, nearly 35 per cent of the population, smoke.

China has been reluctant to expose the lucrative state monopoly to foreign competition. are placed on But this has not stopped a flood of foreign imports. In 1990, the Worker's Daily newspaper estimated that less than 1 per cent of foreign cigarettes on sale in China had passed through customs – the rest were smuggled.

THE LEX COLUMN

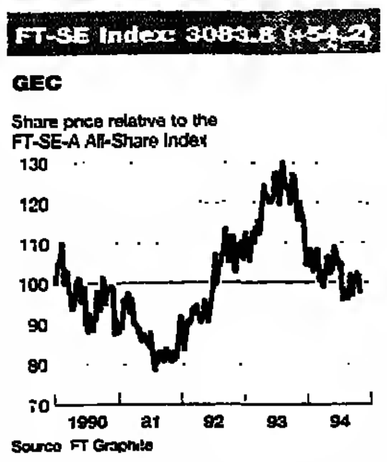
Pocketing battleships

The battle for VSEL is more likely to be decided by high politics than high finance. British Aerospace is campaigning for GEC's rival bid for the warship-maker to be blocked on competition grounds. So far, there is no definitive word from the Ministry of Defence. But GEC's purchase of a 14 per cent stake in VSEL suggests confidence on its part that the bid will receive the necessary approval.

BAe's decision to focus on politics reinforces the impression that it has little chance of winning a straight financial fight. GEC's cash offer is worth 12 per cent more than BAe's paper offer. The financial logic of merging with VSEL is so attractive that BAe will be tempted to improve its bid. But the company is not in a position to put up cash and, if it offers more paper, its share price would fall – so diminishing the value of a higher bid. Meanwhile, the group knows GEC could easily use its cash mountain to top any improved offer. GEC's current bid of £14 a share should enhance the group's earnings by around 2 per cent, giving it scope to pay more cash without suffering dilution.

VSEL is a pawn in a wider battle between GEC and BAe. Lord Weinstock, GEC's managing director, is anxious to force BAe to agree to a merger of the two groups' defence businesses before he retires. Without VSEL, BAe's balance sheet would be stretched. The company would find it harder to take the write-offs necessary to restructure its troubled turboprop business. That does not mean a BAe deprived of VSEL would automatically fall into Lord Weinstock's lap. But the pressure would be on.

FT-SE Index: 3083.8 (+54.2)



Deutsche Bank

It has taken Deutsche Bank five years to decide to integrate its investment banking activities with those of its Morgan Grenfell subsidiary. Even so, yesterday's belated decision to do so gives Germany's largest bank a sporting chance of joining the investment banking big league with the likes of Goldman Sachs and Merrill Lynch. Its decision to locate the headquarters of the operation in London also strengthens the City's position as Europe's pre-eminent financial centre. Other Continental banks, seeking to develop their corporate finance and international equity businesses, may feel under pressure to follow suit.

The decision is undoubtedly a blow to Frankfurt. Efforts to bolster Finanzplatz Deutschland – Germany as a financial centre – have not succeeded. Germany may be Europe's leading industrial power, but its financial system remains relatively underdeveloped while its equity markets are over-regulated and illiquid.

Deutsche Bank will not find it easy to achieve its ambitions. While Morgan Grenfell still has a strong presence in corporate finance, neither it nor its parent is known for equity research and trading. There is also a big question over whether Deutsche can successfully merge its solid but slightly stodgy culture with Morgan's more entreprencurial spirit. One reading of the decision to locate the investment banking headquarters in London is that Morgan's culture will come up on top. But, given that Deutsche has yet to agree a name for the business, it would be a mistake to bet on it.

Markets

Markets on both sides of the Atlantic had worked themselves into such a state of nerves ahead of the US GDP numbers that even the distinctly mixed figures were met with a huge sigh of relief. The initial alarm created by the 3.4 per cent growth figure only exaggerated the bounce when traders digested the lower-than-expected price deflator. Yet this probably had more to do with the shape of trading books ahead of the news than any change in sentiment.

Those worried about US inflation were not cheered by the low deflator figure. Their argument is precisely that the Federal Reserve is being lulled by good inflation statistics and will not take the stern action required until it is too late. Nor were they impressed by the large element of stock building in the GDP figure since they believe that inflation is already working its way through the system as a result of past growth.

In London, by contrast, markets are more inclined to accept the Bank of England's relaxed view about UK inflation prospects – something likely to be reinforced by next week's quarterly inflation bulletin. This has helped gilts outperform the US and German bond markets. Yesterday's rally made up most of the ground lost earlier in the week. Shares did even better with the FT-SE 100 up 51 points on the week. But they still remain largely at the mercy of Wall Street. Judging by recent experience yesterday's recovery in US bonds and the dollar is likely to be short-lived.

Scottish Hydro

The City has no doubt that Scottish Hydro-Electric was harshly treated by its regulator when the company's new pricing regime was announced last month. Its shares have underperformed the sector by almost a fifth since August when Professor Stephen Littlechild announced price caps for the 12 regional electricity companies in England and Wales. That regime should allow the RECs' distribution businesses to make a real rate of return of around 7 per cent, as will the cap announced for Scottish Power. Yet Scottish Hydro claims its rate of return on distribution will be squeezed to less than 2 per cent.

In rejecting the new cap and forcing a reference to the Monopolies and Mergers Commission, the company appears on strong ground. In its review of British Gas, the commission suggested an appropriate rate of return for a utility would be 6.5 per cent to 7.5 per cent – a judgment that the electricity regulator took into account in his review.

Scottish Hydro seems to have been singled out for special treatment because the price corset at privatisation was tied too tightly. Treating it equally now would mean allowing the company's distribution prices to rise significantly relative to other regions. After the political furore that followed Prof Littlechild's generous treatment of the RECs, it is not surprising that he was reluctant to take such a course.

There must have been a temptation to follow the water regulator's example with South West Water and pass the hot potato to the commission.

Santer nears deal on naming posts for EU commissioners

By Lionel Barber in Brussels

Mr Jacques Santer, next president of the European Commission, was last night close to a deal over the apportioning of new portfolios, the first test of his grip on colleagues and clout with member states.

Pressure was increasing on the two hold-outs – Sir Leon Brittan and Mr Hans Van den Broek – to fall into line at today's meeting in a Luxembourg chateau attended by the new 21-strong Commission.

A deal would enhance the reputation of Mr Santer, who has displayed a shrewd touch and a steely determination during tense negotiations over portfolios. The chief obstacle remains the allocation of responsibilities in external relations, with Sir Leon, the chief EU trade negotiator, reluctant to cede responsibility for relations with central and eastern Europe to Mr Van den Broek, the former Dutch foreign minister, who is in charge of political affairs.

Sir Leon would retain the powerful multilateral trade portfolio as well as relations with the US and Japan; but he would lose a plum area since one of the main tasks of the next Commission will be to lay the groundwork for EU membership for Poland, the Czech Republic and Hungary.

Mr Van den Broek is also uneasy about Mr Santer's plan to assume personal control over foreign and security policy, though he has received assurances that he will still be responsible for orthodox diplomacy.

Officials close to Mr Santer portray the foreign policy plan as a bid to break up personal fiefdoms. Others suspect he intends to dilute the Commission's role in foreign policy-making in deference to the member states.

On Thursday, Mr Jean-Luc Dehaene, the Belgian prime minister whose bid last summer to succeed Mr Delors failed only because of a UK veto, warned against the Commission yielding powers.

One surprise is the expected announcement that Mr Franz Fischler, the former Austrian agricultural minister, will take over the farm portfolio.

Other key posts expected to be agreed today includethe Emu portfolio to Mr Yves-Thibault de Silguy, a French civil servant, and transport to Mr Neil Kinnock, the former UK Labour party leader.

Rome's choice, Page 2

Deutsche Bank puts its money on London

Continued from Page 1

investment banking board would be established under the chairmanship of Mr Ronaldo Schmitz, Deutsche Bank board member, and also comprising Mr John Craven, Morgan Grenfell's chairman, and Mr Michael Dobson, Morgan chief executive who will run the combined operation.

"Investment banking is an Anglo-Saxon business," said Mr Schmitz. "We want to achieve the global integration of our investment banking business. This can't be done in Frankfurt. It's got to be in London. New York is outside our time zone. Europe is of overwhelming significance for us."

Mr Kopper said customers expected a range of services from investment bankers. "A truly European bank must must have an integrated pan-European management operating from its largest market – that is London for international products."

Together, the Deutsche Bank and Morgan Grenfell investment banking operations employ more than 6,000 people: last year, Deutsche earned a pretax profit of nearly DM2bn ($1.34bn) before tax from investment banking with Morgan Grenfell's profits totalling £236m.

Helped by changes in the law and a more relaxed attitude towards new financial instruments by the Bundesbank (Germany's central bank), Frankfurt has made progress towards becoming a more effective financial centre. But bankers agree its future lies more as an important regional centre.

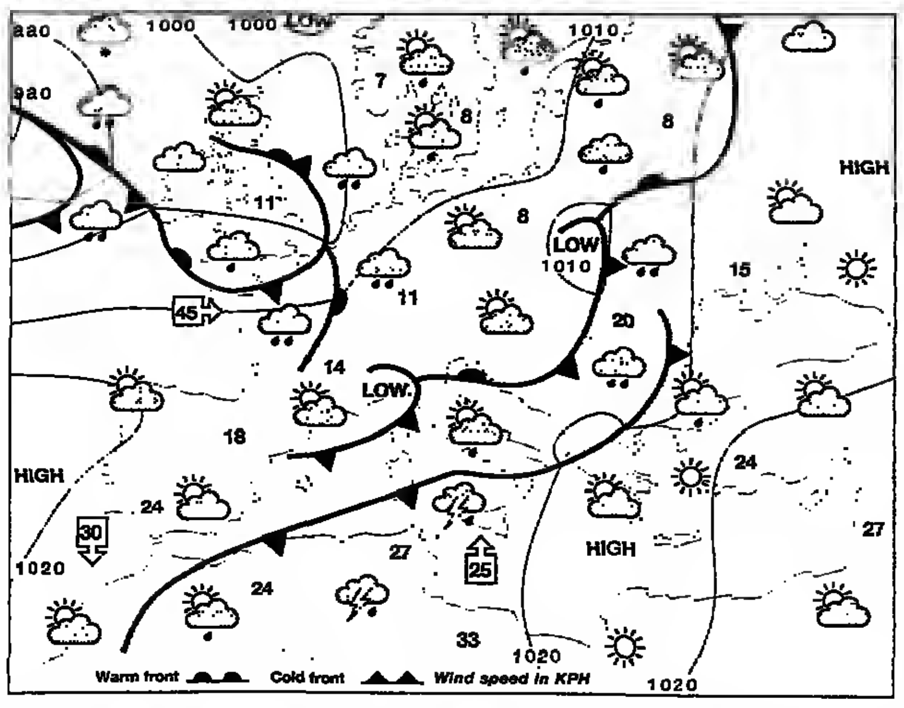
FT WEATHER GUIDE

Europe today

Low pressure over the southern North Sea will bring rain to the Benelux, Germany, and north-west France. Further to the south-east, cloud will give way to sun. Most of Spain will have cloud interspersed with sunny spells, although the sun will dominate, especially in the west. Showers will linger in the south-east. Italy will have high cloud and a few showers. Showers, some with thunder, are expected in the western Balkans. Southern parts will have sunny periods but the north will be cloudy. The north-west Balkans will have showers. More rain is expected in western Russia.

Five-day forecast

High pressure will develop over central Europe after the weekend. At the same time, a new depression over the Atlantic will strengthen, creating a ridge of high pressure over north-west Europe. Consequently, central and parts of northern Europe will be more settled. The UK and north-west edge of the continent will remain unsettled although temperatures will rise. The central Mediterranean will have thunder showers.



Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

TODAY'S TEMPERATURES

		Maximum Celsius
Abu Dhabi	sun	33
Accra	fair	31
Algiers	shower	24
Amsterdam	rain	10
Athens	sun	24
Atlanta	cloudy	21
B. Aires	sun	16
B.ham	rain	12
Bangkok	fair	33
Barcelona	fair	18
Beijing	sun	14
Belfast	rain	11
Belgrade	thund	23
Berlin	rain	10
Bermuda	cloudy	26
Bogota	shower	21
Bombay	fair	36
Brussels	rain	10
Budapest	cloudy	12
C.hagen	rain	8
Cairo	sun	28
Cape Town	fair	23
Caracas	cloudy	31
Cardiff	rain	13
Casablanca	fair	21
Chicago	fair	15
Cologne	rain	11
Dakar	sun	30
Dallas	sun	28
Delhi	sun	32
Dubai	sun	33
Dublin	rain	12
Dubrovnik	shower	22
Edinburgh	cloudy	9
Faro	sun	22
Frankfurt	shower	11
Geneva	fair	11
Gibraltar	drzzl	20
Glasgow	cloudy	9
Hamburg	rain	10
Helsinki	drzzl	7
Hong Kong	cloudy	25
Honolulu	fair	31
Istanbul	sun	20
Jakarta	fair	32
Jersey	rain	14
Karachi	sun	35
Kuwait	sun	35
L. Angeles	sun	24
Las Palmas	fair	24
Lima	cloudy	22
Lisbon	fair	19
London	rain	13
Lux.bourg	rain	8
Lyon	fair	13
Madeira	cloudy	23
Madrid	fair	18
Majorca	cloudy	20
Malta	fair	26
Manchester	rain	11
Manila	cloudy	31
Melbourne	shower	17
Mexico City	fair	22
Miami	rain	27
Milan	sun	17
Montreal	fair	14
Moscow	shower	8
Munich	shower	10
Nairobi	shower	26
Naples	fair	24
Nassau	rain	30
New York	sun	20
Nice	sun	18
Nicosia	fair	29
Oslo	rain	6
Paris	rain	13
Perth	fair	28
Prague	rain	10
Rangoon	fair	34
Reykjavik	cloudy	3
Rio	thund	27
Rome	fair	23
S. Frsco	fair	20
Seoul	sun	15
Singapore	shower	29
Stockholm	drzzl	7
Strasbourg	shower	12
Sydney	shower	21
Tangier	fair	21
Tel Aviv	sun	29
Tokyo	shower	22
Toronto	cloudy	13
Vancouver	cloudy	9
Venice	sun	17
Vienna	cloudy	10
Warsaw	rain	8
Washington	fair	21
Wellington	shower	15
Winnipeg	cloudy	5
Zurich	fair	11

Weekend FT

SECTION II Weekend October 29/October 30 1994

This country has an international reputation for the integrity and honour of its public institutions.
– John Major in the House of Commons on Tuesday.

A better class of corruption

Britain has a notable record of sleaze. Andrew Adonis looks at a century of hypocrisy in high places

Britain, whose government has been seen as pristine in a murky world for the best part of a century and a half, has three senior ministars up to their eyes in sleaze.

The chancellor of the exchequer, the attorney general and the government chief whip have been trading in the shares of a US group with cross-holdings in a British company which has just gained a huge government telecommunications contract. They bought the shares at a discount, courtesy of the attorney general's brother; a third brother is manager of the British company. The chief whip has also invested party funds in the shares.

That was the position in October 1912, when the House of Commons first debated the Marconi scandal. David Lloyd George and his colleagues covered their traces with disingenuous apeeches, but prime minister Asquith felt obliged to set up a select committee investigation.

The truth only started to emerge after revelations in the French press. Yet the majority report of the government-dominated committee exonerated the ministers, and a party vote on the floor of the Commons did the same. Asquith not only failed to call for any resignations: within months he bad appointed Rufus Isaacs, the Attorney General, as Lord Chief Justice.

Lloyd George ousted Asquith in the depths of the first world war. During his six years in Downing Street, he turned trafficking of honours into an art form, leaving office with a personal fund estimated at £1.5m – £40m in today's money.

Contrary to popular myth, Lloyd George was not the only prime ministerial honours salesman. The saintly Gladstone substantially cleaned up British politics in the 1870s and 1880s, introducing the secret ballot and laws limiting local electoral spending and curbing corrupt electoral practices. But Gladstone continued to sell honours to fill the Liberal war chest.

After him the late-Victorian and Edwardian Tory governments of Lord Salisbury and Arthur Balfour disbed out peerages, haronetcies and knightboods at an unprecedented rate in return for contributions to party funds. Salisbury treated the process with patrician disdain: "No more tobacconists I entreat you," be wrote to his colleague the Duke of Devonshire after a dodgy baronetcy raised eyebrows.

The trafficking was hidden from pnblic view. As Dr Michael Pinto-Duschinsky of Brunel University, an expert on party corruption, puts it: "Over the past century British politics has been far from sleaze free: but compared to other countries the British are adept at dealing with corruption quietly."

The comparison with France is instructive. In the 1880s and 1890s the French political establishment was shaken by a succession of public corruption scandals, including the Wilson affair which involved president Grévy's son-in-law selling the Legion of Honour from the Elysée Palace. In Britain such scandals rarely reached the press; still more rarely were they taken up by opposition parties, who were themselves part of the honours trade. Even Maundy Gregory – the celebrated honours tout, who operated a network of agents for both the Liberals and Tories – was spirited abroad to France, at the expense of Tory donors, when official investigations started to close in.

Lloyd George's crime in the eyes of the Establishment was that his excesses brought the system into public disrepute and embarrassed King George V. The scandal started to boil when a convicted wartime food hoarder received a baronetcy, and became uncontainable after a peerage was offered to a South African diamond merchant who had been convicted for serious fraud.

Greater discretion reigned after Lloyd George's resignation, hut tha sleaze continued. In the late 1920s Warden Chilcott, one of Gregory's associates, persuaded several Indian princes to part with £100,000 (nearly £3m today) for a fund to promote their interests in London, believing that the India Secretary, the flamboyant F.E. Smith (Lord Birkenhead), was in Chilcott's pocket.

Even those determined to cleanse the Augean stables were dragged in. In 1934, the socialist Ramsay MacDonald, prime minister of a mainly Tory government, was forced to give a baronetcy to Julien Cahn, who had paid £30,000 to finance Gregory's overseas sojourn. Stanley Baldwin, the Tory leader, warned MacDonald that all three parties were implicated – including three past or future Tory leaders (Churchill, Bonar Law and Sir Austen Chamberlain) – and that otherwise Gregory would "stir up such a filthy sewer as would poison public life".

Not a word reached press or Parliament. France again offers a parallel. In 1934 the Stavisky affair – prompted by the suicide of a shady financier, whose affairs the government tried to bush up to protect ministers – led to a storm instigated by the extreme right. Riots and shootings took place outside the National Assembly in Paris, and two governments were forced to resign before the crisis abated.

Since the 1940s there have beeo no indications of systematic honours trading, although the correlation between the honoured and individual or corporate donations to party funds has at times been marked. As for MPs and ministers, only a handful have fallen in recent decades for shady dealings. On the Tory side sex, not mooey, has been the grim reaper: the only prominent national politician tainted by a corruption scandal was Reginald Maudling, who resigned as Home Secretary in 1972 after disclosure of a business association with tbe notorious John Poulson.

Howaver, the Poulson affair showed that corruption flourished in parts of local government, which had become a mighty spender and regulator. For 20 years Poulson's architecture and construction empire manipulated officials in local government, the police and the health service, including T. Dan Smith, Labour leader on Newcastle council, who received £155,000 from Poulson to establish public relations companies.

Poulson was not an isolated case. Other corruption cases involved councils in Birmingham, soutb Wales and Dundee; and a series of cases involving the police also surfaced. A 1976 royal commission report on standards in public life decided to treat them as isolated incidents, but noted that the local planning regime put "greater strain than has been generally realised" on councils, whose members "may find themselves handling matters on a financial scale quite beyond their experience of private life".

Tighter rules on declarations of interests, and curbs on local authority powers imposed by the Thatcher and Major governments, have restricted the scope for local corruption, although recent cases in Westminster and Wiltshire show that it has not vanished. However, a new form of sleaze has emerged in the 1980s and 1990s: malpractice in the growing number of quangos – appointed government agencies, notably in the bealth and education sectors, which now handle nearly a quarter of public expenditure, many subject to lax regulation.

A snapshot of quango sleaze was provided this January by the Commons public accounts committee, which published a report citing a string of cases involving "serious failures in administrative and financial systems and controls". The Welsh Development Agency was censured; other cases of misuse of funds included £20m by Wessex Regional Health Authority, £10m by West Midlands Regional Health Authority, and £1m by the National Rivers Authority.

"Whenever you bear this sort of thing mentioned in Italy, Africa or South America we just smile and say it could not happen here," said Robert Sheldon, the committee's chairman. Yet "this sort of thing" ought perhaps properly to be seen as but the latest incident in a British tradition of sleaze.

Another concern is the current reformation in public administration, as the "career for life" is undermined and officials are encouraged to move to the private sector. "Once you have the revolving door, there is always the question of when the official negotiates for a future outside job, and how strongly it is on his mind when carrying out public duties," says Pinto-Duschinsky.

Three themes emerge from a

Continued on Page XI
Corrupt and sleazy, Page XXVI

CONTENTS

The Long View / Barry Riley

When prudence vanishes

The pensions business is a natural breeding ground for swindles. You pay your money now but do not find out what benefits you are getting until many yeara hence. Meanwhile, the information you receive is, at best, actuarial gobbledagook. If you are really out of luck, your trustee turns out to be Robert Maxwell.

The particular financial scandal in the headlines this week has concerned the mis-selling of personal pensions after they became available to employees (rather than the self-employed) in 1988. The government and its regulatory watchdog, the Securities and Investments Board, turned a blind eye when armies of salesmen fanned out across the country. Up to the present, around 8m personal pension plans have been sold to employees.

Now, SIB's penny has dropped. It has discovered that some of these people were misled by commission-hungry intermediaries and has outlined its plans for redress. About 350,000 priority cases will be re-examined and another 1m-odd could be affected.

Unfortunately, there has never been an inquiry into a comparable pensions disaster of the early 1980s. In the recession, many British companies declared hundreds of thousands of long-serving employees to be redundant and fobbed them off with frozen deferred pensions. Tha already-inadequate real value of these has now halved.

It is asking for trouble to allow provision of pensions to be controlled hy economic agents – employars, lifa companies, sometimes even governments – which do not have the interests of the beneficiaries primarily in mind. Company schemes were designed to achieve corporate objectives – basically, to reward long service and promotion – but companies had little regard for employees once tbey bad left. It required legislation to improve matters; meanwhile, occupational schemes got a bad name, especially among the young and mobile. That gave the personal pensions' salesmen an opening – encouraged by the government, which itself was motivated primarily by a desire to reduce the cost of the state earnings-related scheme (Serps).

As for the life companies, by the late 1980s tha most successful of them had become dominated by their sales forces. Their ethos was that they were selling unquestionably desirable products in life assurance, aavings and pensions. You could not have too much of these good things.

So, the increasingly high-pressure sales methods, and rising commission rates, were considered to be means justified by ends. Disclosure of commissions and other costs at the point of sale, which might have disrupted this sales drive, was resisted aucessfully for many years; its imminent introduction, in January, is throwing the life industry into turmoil.

In selling the new-style personal pensions to employees, however, life companies were not just marketing *products* – toevitably, they were offering *advice*. Customers could stay put in their company scheme (by then, with better protection for early leavers) or in Serps or, alternatively, they could opt for a personal plan. But you cannot reward advisers satisfactorily by paying them commission on product sales. Biased advice is sure to result.

What was SIB doing at the time? It was re-writing its rule-book and devising its core principles, or "10 commandments". These say firms must observe "high atandards of integrity and fair dealing" and that the customer should be given "any information needed to enable him to make a balanced and informed decision". Meanwhile, the government was delighted at the success of its personal pensions' promotion.

To a degree, things have improved. The regulators have come down from the ethical stratoapbere. They bave fined many of the erring life offices. Two of the subsidiary regulatory bodies have been merged to form the new Personal Investment Authority, which is supposed to apply more consistent controls. At the same time, you would hava to be irrepressibly optimistic to believe similar problems could not recur.

The combination of aggressive marketing by myriad investment firms, and hureaucratic investor protection, is prone to huge blind spots. These happen when particular market trends (such as the 1980s' house price boom, which produced the home income plans' scandal) or fashions of political correctness (such as personal pensions) override normal prudence and judgment.

Bailing people out of troubla is all very well, but it brings a clear risk of moral hazard: that small investors will come to believe they will be compensated if anything goes seriously wrong and, consequently, they will be drawn more readily into risky and unfamiliar products. The responsibility of *clients*, as opposed to salesmen, is ill-defined.

As it unpicks the personal pensions' tangle, SIB should think laterally and wonder why there is so much investment risk in British savings products. Why are investment companies not falling over themselves to offer low-risk products based upon the remarkable 9 per cent gilt-edged yields now available? Instead, there is a plethora of complex guaranteed and high-income products based upon futures contracts.

Tha answer, as with personal pensions, is that high commissions are distorting advice. Interestingly, the left-of-centre Committee on Social Justice this week suggested a National Savings Pension Plan – which would offer very low-cost, index-linked gilt funds and index-tracking equity funds – to set a cost henchmark for tha competition. The puzzle is why such funds do not exist already or, where they do, have so little impact. The explanation is that it does not pay intermediaries to recommend them.

There is a fine line indeed between regulating the market and interfering with it. Here is a motto for SIB: a little bit of the latter might remova the need for a lot of the former.

London

Fiasco over pensions casts long shadow

Andrew Bolger

Never mind the sleaze allegations that have engulfed Westminster: the scandal which gave the City much greater pause for thought this week was the extent of the pensions fiasco.

It was always expected that the report of the Securities and Investments Board into the mis-selling of personal pension would make unhappy reading for the personal finance industry. However, it still came as unpleasant news to learn the scale of poor advice was far greater than had been thought – and that the compensation bill could reach £2bn.

Life insurers must review hundreds of thousands of personal pensions and compensate those investors who were wrongly advised to buy them. Since 1988, some 600,000 personal pensions have been sold to people transferring lump sums from occupational schemes. Separately, a survey by the SIB's actuaries estimated that in more than 850,000 cases, people were advised to opt out of employers' schemes or not to join.

The shares of the quoted insurance companies held up fairly well, because they hava already made substantial provision for potential compensation. However, Prudential Corporation, the UK's largest lifa insurer, gave an inkling of the damage to investors' confidance when it revealed that sales of single-premium individual pensions in the first nine months of the year had fallen by 30 per cent.

Sir Brian Pitman, chief executive of Lloyds Bank, did nothing to alleviate these gloomy thoughts when he warned a conference of personnel managers that Britain's financial services industry was facing an upheaval on the scale that had previously been experienced by manufacturing. Sir Brian said that although about 160,000 jobs had already been lost in financial services in the past five years, the competitive environment was going to get tougher still.

For most of the week, there was little offsetting cheer from the stock market, which continues to be in thrall to fluctuating sentiment in the bond and currency markets. The FT-SE 100 went down 28 points on Tuesday, up 30 points on Thursday, and scarcely moved on Monday and Thursday. Even yesterday's 54-point gain mainly reflected relief that the US third-quarter growth figures had been well received in the bond markets, and was achieved in thin turnover.

Volatility in the stock market is being increased by the low level of trading in London, which the chart illustrates. Edmond Warner, an analyst with Kleinwort Benson, points out that equity bargains currently number about 25,000 a day, almost 10,000 below the average of the past two years. Over this period activity was only as thin in the Christmas season and in early July this year – just after the market hit its 1994 low.

Warner says: "Meagre turnover is not in itself negative – apart perhaps for stockbrokers' sanity – bnt does reflect the prevailing uncertainty in the market. However, it also indicates the growing risk that equity prices will shift dramatically. Either current nervousness will transfer into outright institutional selling, or market makers will find their trading books unprepared for a resurgence of buying interest."

The Confederation of British Industry's latest quarterly survey of industrial trends showed on Tuesday that UK manufacturers were enjoying an export boom, but were also planning to increase prices in the face of rising costs. The survey said more manufacturers were planning to increase domestic prices over the next four months than at any time since January, 1991.

The survey said that the pattern of price rises was mixed, with some industries still reporting declines. It added that manufacturers' expectations for higher prices did not always translate into reality.

The CBI survey's findings on price expectations were one of the factors cited by Kenneth Clarke, the chancellor, and Eddie George, the governor of the Bank of England, when they increased base rates last month.

However, on Thursday George said financial markets, both in the UK and overseas, were exaggerating the inflationary threat, and the likely interest rate rises needed to combat it. Analysts surmised that the Bank's quarterly inflation report, to be released on Tuesday next week, was unlikely to contain any surprises about inflation pressures in the economy.

Meanwhile, shares in the electricity sector rose after East Midlands Electricity said it would give £186m back to its shareholders in a special interim dividend payment. The pay-out brings to nearly £1bn the amount returned to shareholders by privatised electricity companies this year.

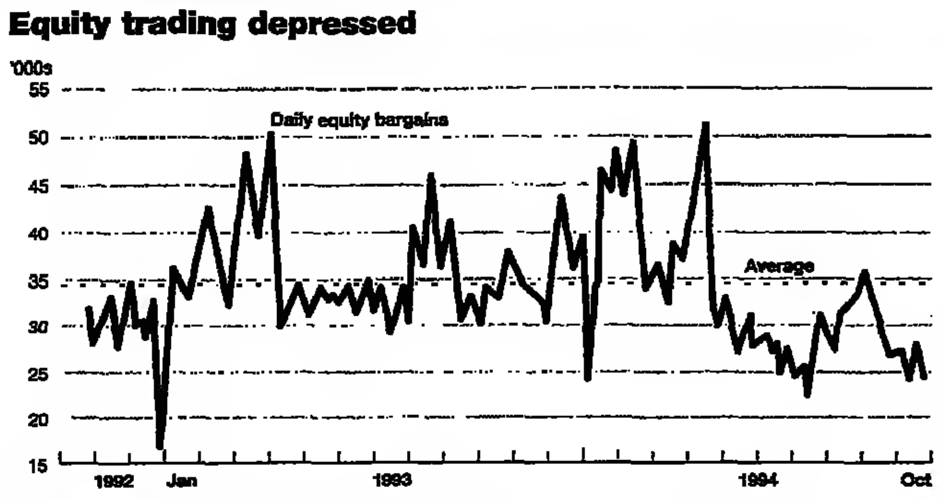
Imperial Chemical Industries confirmed that the chemicals industry was recovering strongly with third-quarter figures that showed operating profits more than doubling in some divisions. But it warned that while prices for many of its goods were rising, those nearer the consumer – such as paints – remained very competitive.

Sir Denys Henderson, chairman, said demand in most markets looked "more promising than for some time. Activity in the US, UK and Australian markets remains generally firm. Recovery in continental Europe appears to be under way and even the Japanese economy seems to have hottomed. Robust growth in the rest of the Far East continues."

One domestic factor which encouraged yesterday's surge by the FT-SE 100 was GEC's decision to top British Aerospace's agreed £518m bid for VSEL, the Barrow-based submarine maker.

This may or may not be the start of the final showdown between GEC and BAe over which group will dominate the rump of the British defence industry. But watching a contested takeover makes a pleasant break for traders from fretting about the global bonds market.

Equity trading depressed



Source: Datastream, Kleinwort Benson

HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1994 High	1994 Low	
FT-SE 100 Index	3083.8	+51.0	3520.3	2876.6	Wall Street strength
FT-SE Mid 250 Index	3501.6	-0.8	4152.8	3363.4	Second-liners neglected
Brit Aerospace	457	-13	584	390	VSEL bid topped
Brit Airways	356	-21	496½	344	Big loss at USAir
Brit Petroleum	428½	+20½	430	340	Hits all-time $ high
Bulmer (HP)	393	-26	459	358	Bid hopes recede
Eurotunnel Uts	231	+22	592¾	195	Buyers return
ICI	793½	-20½	868	728	Third quarter figures discounted
Lloyds Abbey Life	356½	+26½	471	322	Relief over SIB report
P & O Defd	626	+31	743	587	Broker confidence
Pearson	625	+25	735	552	BSkyB flotation presentations
Shell Trans	731	+30	758	651	Excellent Q3 figs from Shell Oil
VSEL	1395	+97	1398	980	Counterbid from GEC
Warburg (SG)	606	-27	1012	569	Weak/turbulent markets
Wellcome	629½	-21½	731	498	Goldman Sachs "sell" recommend'n

Serious Money

You'll pay – even if you weren't conned

Gillian O'Connor, personal finance editor

An unsung victim of the latest great pensions scandal could be . . . you. Of course, the worst hit are the hundreds and thousands of people who were advised wrongly to buy personal pensions. But the bill for compensation – estimated at up to £2bn – will be footed partly by other life insurance and pension policyholders.

Here is how the chain works. Liability for recompense falls either on the independent financial adviser or on the life insurance company if the sale was made by a life company salesman or appointed rep. But where does the life insurance company go for money?

For mutual companies, the only source is the life insurance fund, which is wholly owned by holders of its life insurance and pension policies. Companies with shareholders can go both to policyholders and to shareholders. If they fund the compensation payments from the life fund, roughly 90 per cent will normally come from policyholders and the other 10 per cent from shareholders – and they could also go direct to shareholders.

All the figures involved are so notional at the moment that there is no point in trying to work out the impact of the compensation payments on individual companies. There are around £300bn of life funds. So, even if the whole of the compensation were the responsibility of the life companies (very unrealistic), the compensation still would be less than 1 per cent of assets. Some companies may take a bigger hit.

What is more, the fresh cash drain comes at a time when life insurance payouts on with-profit policies are falling and are likely to drop further. Many industry experts reckon that far too many life insurance companies are still paying out much more than can be justified by their investment returns – and running down their safety margins fast. So, policyholders will, yet again, pay for the mistakes of insurance management – as they have already over the disastrous forays into estate agency by some life companies.

The innocent winner in the personal pension scandal is British industry. Company pension schemes have benefited from the improved solvency produced by the opt-outs – people who were persuaded to leave a company scheme even though they still worked at the company, or advised to buy a personal pension rather than join the company scheme.

Meanwhile, the employers themselves have benefited both from this and from the drop in the number of employees for whom they need to make contributions. A large number of companies have enjoyed several years of pension "holidays" during which they have not needed to pay in to the pension fund.

Opt-outs are not the main reason for the pension surpluses which allowed companies to take these holidays, hut they will have helped in some cases.

A less innocent winner is the government – which enjoys the same benefits as any other employer. It is arguable that it is no more responsible for ill-advised opt-outs than any other employer. But the next pension scandal to break will be over the state earnings-related pension scheme (Serps), where the government actually bribed people to trade in part of their state pension for a personal plan.

□□□

Now for a couple of books for the very serious stock market investor. Both are potentially useful but both are hard work.

The first is for people who want to understand not just what company accounts are trying to tell shareholders – but what they are trying to conceal. *Interpreting Company Reports and Accounts**, by Holmes and Sugden, is in its fifth edition and remains the best way to learn about – if not to love – the subject.

The authors use real company examples, first to set out how all the items in accounts work and then to explain how investment analysts use them. The section on accounting loopholes is getting smaller, though. This is sad for the reader, since it was the most fun, but the shrinkage reflects good news for shareholders at large: the scope for financial sophistry is getting smaller.

The other "book" serves the investor who has a working knowledge of accounts but prefers to let other people crunch most of his numbers, while he concentrates on looking for that handful of shares worth huying. Publisher Hemmington Scott has used its extensive data base to produce a company handbook tailored to the requirements of former financier Jim Slater. *Company Refs*** is a touch gimmicky hut provides a diversity of investment yardsticks for all the companies in the FT-SE-A All-Share index.

The main book is divided by company. The second slices companies by stock market sector, investment classification, attributes such as yield, and even the likelihood of companies being promoted to one of the main indexes such as the FT-SE 100. The third explains how to use the system.

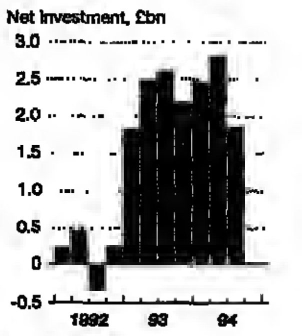
Would anyone actually invest just on the basis of comparative analysis done with the help of *Company Refs?* Probably not. An intelligent investor would use it to get or confirm ideas – then send off for a set of company accounts and sweat through the numbers himself with Holmes and Sugden. Not for the faint-hearted.

* *Woodhead-Faulkner; £34.95.*
** *Subscription costs £475 a year for monthly updates; £175 for a quarterly service. Hemmington Scott - 0171-278-7769.*

AT A GLANCE

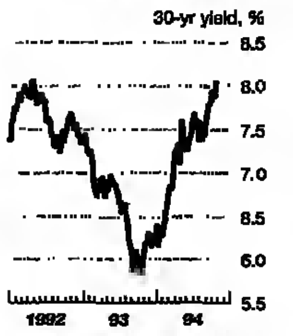
Finance and the Family Index

Unit Trust sales



Source: AUTIF

US long bond



Source: FT Graphite

Unit trust sales fall sharply

Unit trust sales for the third quarter are down to £1.88bn from £2.81bn the previous quarter. The third quarter is traditionally one of the weakest for sales but in the corresponding period last year net sales totalled £2.61bn. Monthly figures also fell. In September they were a net £470.7m, the second lowest figure this year, down from August's net sales of £767.1m.

However, net sales of unit trusts for the year are still higher at £7.15bn than for the same period last year when they amounted to £6.95bn. Last year tha unit trust industry attracted a record £9.14bn of net investment.

Bonds stir the markets

Wall Street had been expecting it for some time, but when the yield on the 30-year US government bond closed above 8 per cent for the first time in 2½ years on Monday night, it sent a shudder through financial markets. Bond prices have been falling – and correspondingly, yields rising – since late last year.

Lazard offer goes flat

Lazard Investors this week abandoned its planned launch of an investment trust specialising in regional brewers. The offer for Lazard Brewers Investment Trust failed to attract the minimum £50m the fund managers had hoped for. The collapse was blamed on poor market conditions, rather than the concept behind the fund. The trust had agreed to buy a £27m portfolio of shares in regional brewers from brewing giant Whitbread, but this deal has been cancelled.

Gracechurch action group

Dissatisfied investors in the Gracechurch BES Companies may like to know that Gordon Leighton, chartered accountants, are organising an action group. (For more information, contact Andrew Whits on 071 935 5737.)

This loan-back business expansion scheme, launched by Barclays de Zoete Wedd in March 1993 was, along with National Westminster'a Homeshare scheme, caught by the Budget announcement banning such schemes.

Investors in the BZW scheme who expected a tax-free return of 14 per cent after six months, have been offered 5 per cent after 18 months or have been locked in for five years.

Small companies lose ground

Smaller company shares reversed the previous week's gains last week. The Hoare Govett Smaller Companies Index (capital gains version) fell 1.1 per cent to 1594.24 over the week to October 27.

Next week's family finance

Insurance bonds come in a bewildering variety of forms. We explain how they all work and how to make sure you don't get sold something totally unsuitable.

Wall Street

Stop worrying and love the boom

The US economy keeps moving along at an impressive clip, but Wall Street remains as unsure as ever in the face of the economic recovery and does not know whether to love it or loathe it.

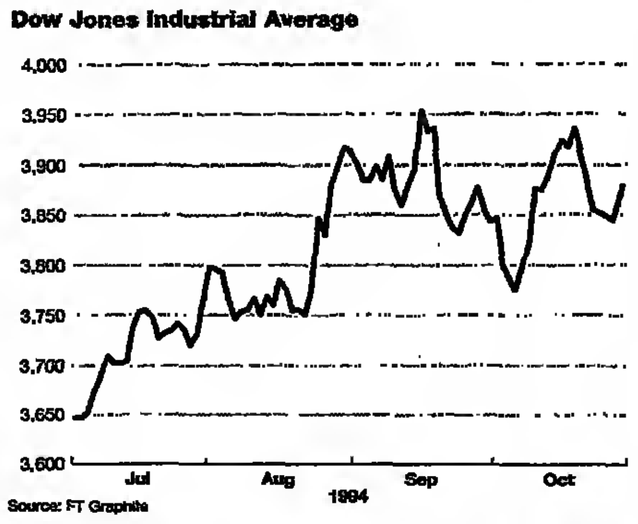
This week, the markets passed the first four days in an uneasy limbo, with traders and investors spending too mnch of their time worrying ahont what Friday's third quarter gross domestic product report would say about the pace of economic growth, and what it would mean for monetary policy and interest rates, and not enough time concentrating on the positive fundamentals underpinning share prices – such as robust corporate earnings.

When the GDP report came ont just before the markets opened yesterday, the news seemed bad. Bad, that is, to anyone worried abont excessive economic growth. According to the Commerce department, GDP rose 3.4 per cent in the third quarter, a slowdown from the 4.1 per cent growth rate of the second quarter, but still considerahly stronger than Wall Street had been expecting. Forecasts bad ranged from GDP growth of 2.8 per cent to 3.0 per cent.

The fact that the economy was growing faster than anticipated triggered some early selling of bonds, on the assumption that the data only increased the chances that the Federal Reserve would raise interest rates when its policy-making committee next gathered in mid-November. Although share prices did not fall on the news, they did not rise either, and no one in the stock market was particularly enthralled at the prospect of yet more rate increases.

Consistency, however, has never been one of the markets' stronger points. Within half an hour of the opening bell yesterday, sentiment appeared to have turned round completely. Bonds began rallying, in the process sending the yield on the benchmark 30-year back below 8 per cent. (On Monday, the 30-year yield closed above 8 per cent for the first time in two and a half years, triggering an avalanche of feverish commentary heralding the end of the world as everyone knew it.) Stocks took off on an even more improbable flight. By 11am, the Dow Jones Industrial Average was up more than 40 points.

Dow Jones Industrial Average



Source: FT Graphite

The roots of this remarkable comeback were hidden in the text of the third quarter GDP report. Although the headline figure of 3.4 per cent growth was disturbing, bond traders and analysts liked what they saw elsewhere in the data. The implicit price deflator, a closely-watched inflation indicator, rose by only 1.6 per cent in the quarter, down from 2.9 per cent in the previous period. Another inflation measure, the fixed weight index, rose 2.7 per cent, which was also considerably less than expected.

Then there was the data on inventories, which showed that companies rnshed to stock their shelves in the third quarter to meet unexpectedly strong consnmer demand. Analysts said the subsequent big jump in inventories – the largest since 1984 – should be offset in the fourth quarter when businesses, their warehouses likely overflowing with stock, place fewer orders for manufactured goods.

There were other, less compelling, statistics in the third quarter GDP release which also reassured the markets that the economy was not quite as huoyant as it seemed, but the clear message from the markets was that overall, the report was nothing like as unwelcome as it first seemed.

That did not mean, however, that everyone could stop worrying about another imminent Fed rate increase (following the markets these days requires a mind as agile as a gazelle). No, there was nothing in the GDP data to suggest the Fed will not decide to tighten policy again at its open market committee meeting on November 15. Bnt there were enough encouraging nnggets of information in the figures to suggest that the next Fed rate rise may be the last for some time.

The Fed would like to see the economic growth rate reduced to a less potentially inflationary 2.5 per cent. Assuming that the Fed pnts up the federal rounds rate next month by another half a percentage point (this is the consensns among analysts on Wall Streets), the central bank will have raised short-term rates this year from below 3 per cent to 5.25 per cent. Over the same period, long-term interest rates will have risen from 6.3 per cent to about 8 per cent.

According to the optimists who bought stocks and bonds yesterday, thesa increases should have tightened credit conditions sufficiently to slow the economy over the next year to a growth rate with which the Fed feels comfortable – say, 2.5 per cent. It is a naat scenario, too neat perhaps. Bnt it at least gives Wall Street some reason for optimism as it enters what could be a long, cold winter.

Patrick Harverson

Monday	3855.30 – 36.00
Tuesday	3850.59 – 04.71
Wednesday	3848.23 – 02.36
Thursday	3875.15 + 26.92
Friday	

The Bottom Line

Doom, gloom, record profits

Jeremy Lancaater, who has turned Wolseley into the biggest supplier of beating and plumhing equipmant in the world, is frank about his pessimism.

"I'm just not an optimistic guy," he said, after announcing yet another set of record results on Tuesday.

However, after 20 odd years the City is beginning to catch on to his downbeat manner. Pre-tax profits for the year to July 31 came in at £202.3m, at the top end of analysts' expectations. This was 67 per cent up from tbe previous year, when Wolseley surprised the City with profits of £121.1m – well ahead of the top forecast of £115m.

The results are remarkable enough, given the recession. Even more remarkable is the latest earnings per share figure of 50.77p, up from 33.60p for 1993 and 37 per cent ahead of the previous record EPS of 37p in 1990. The growth has come from across the group's operations. "There hasn't been a laggard amongst them," said Lancaster.

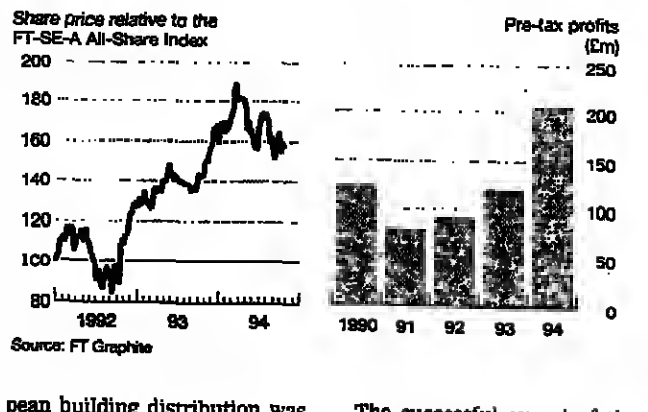
Leading the field last year was the US, where profits from building distribution leapt from £47m to £86.8m on turnover up from £1.21bn to £1.72bn. The first full contribution from Erb Lumher, hought last September, was £13.5m.

Erh and Carolina Builders, both timber distributors, have been "on a roll for two years", with 30 per cent annual sales growth. But sales in the US plumbing distribution operations also improvad strongly, with Ferguson Enterprises 22 per cent ahead, Familian Northwest 20 per cent, and Familian in California ahead by more than 3 per cent and back in the black.

"We have a reputation for being axtreme pessimists which I'm happy with – but even we do not think the US will be too bad next year," Lancaster said, adding that the rate of growth was likely to slow down.

The improvement in European building distribution was not quite so dramatic, with profits rising from £57.1m to £81m on sales up from £1bn to £1.14bn. Of special interest was Brossette, which managed to maintain margins and lift sales by more than 5 per cent in a difficult French market.

Wolseley



Source: FT Graphite

The successful export of the Wolseley formula to France bodes well for OAG, the biggest distributor of plumbing supplies in Austria bought last April for £56.9m.

Wolseley sounded warning on the UK, although the results were good, especially since two-thirds of sales go into the still-depressed repair and maintenance market. The British recovery was fragile, and it was impossible to predict the housing market.

Margins in the US and UK are near their peaks, however, which puts the onus on increasing volumes and better results from the manufacturing side. Manufacturing sales were ahead just 3 per cent at £390.3m, yielding profits of £36.6m, up 11 per cent.

The group believes expansion is possible in all markets. It went to the US in 1982 because it was worried about the prospects for expansion in the UK. At the time it had 300 UK outlets, which have grown to 444; US outlets have risen from 52 to 416.

The balance sheet is strong, with gearing of just over 10 per cent, so further acquisitions are likely. In June the group paid £28m for Calumet Holdings of Chicago, a deal which it believes has made it the world's leading distributor of professional photographic equipment. Calumet is strong in mail order, an expertise Wolseley would like to transfer to other parts of the group.

The City is looking for further growth, with profits forecast at £240m and earnings at around 58p. The shares, which closed at 752p last Friday, fell to 725p after the results were announced on Tuesday, partly because the figures did not top the forecasts. By the close yesterday they had more than recovered the losses.

The question of succession remains. Richard Ireland, finance director, retires next month and will be replaced by Steve Webster, who joined as deputy finance director in summer. Lancaster, 58, is widely expected to retire in two years. Perhaps that is why he was so keen on Tuesday to play down the importance of individuals to the group's performance, and why most of the board attended the results meetings.

David Blackwell

FINANCE AND THE FAMILY: THE PENSIONS SCANDAL

How losers will be compensated

***Debbie Harrison** explains the ways you can now get redress if you switched wrongly to a personal plan*

The Securities and Investments Board – chief regulator of the financial services indnstry in the UK – told insurance companies and financial advisers this week how to compensate thousands of people who incurred financial loss when they gave up company pension scheme benefits in favour of a personal pension plan. SIB identified three groups which may qualify for compensation:

- **Pension transfers** – people who transferred company pension benefits to a personal pension plan.
- **Opt-outs** – employees who left a company scheme to take out a personal plan.
- **Non-joiners** – employees who did not join a company scheme because they were sold a personal plan.

Each group is divided into priority and non-priority cases. If yours is a priority case, it will be reviewed automatically within two years by the organisation responsible for the sale. If poor advice is proved, the organisation must follow SIB's rules on calculating and paying compensation.

The provider or adviser must set out compensation details in a "letter of redress". Under SIB's guidelines, you could be reinstated in your former company scheme or receive a top-up to your personal plan. Either way, the compensation should return you to a position equivalent to the one in which you were before you took out the personal plan.

SIB has legal power under the Financial Services Act 1986 to enforce its rules and will monitor the system closely. But your case will not be considered for compensation if:

1. You were self-employed when you took out a personal plan.

2. Your employer did not have an occupational scheme.

3. You were advised to transfer, opt out or not join before April 29 1988 when the Financial Services Act began.

4. Your complaint relates solely to investment performance.

If you are not on the priority list but think you have a justified complaint, you should write to the organisation that sold you the personal pension, setting out the relevant details. Where individuals complain, SIB has asked organisations to review the case within two years of the request.

The whole process – from identifying those who have lost out, to paying compensation – is complex and time-consuming. The following guide, together with the diagram showing priority cases, could help you through the maze.

The personal pensions scandal was revealed in December 1993. That was when the Securities and Investments Board (SIB), the chief City regulator, reported that only 10 per cent of employees urged to transfer company pension benefits to a personal plan were given good advice.

SIB's finding was based on research by accountant KPMG Peat Marwick, which examined 735 cases of opt-outs from company schemes over 2½ years. The advice given by the insurance salesmen and independent advisers, on which the sales were based showed an almost uniform failure to comply with rules set by the regulators.

More than 5m personal pensions have been sold since they became available in July 1988. Life offices paid their own agents and independent advisers large commissions to sell the product, and took a further cut themselves to cover administration and investment charges. All these deductions came out of the employees' pension pot.

As a general rule, company schemes offer much better value than personal plans because the level of pension is guaranteed and is linked to the member's final salary. Annual pension increases may also be guaranteed, as are death and disability pensions.

With a personal pension, the investment risk rests with the individual; there are no guarantees on what the pension will be worth, and any extra insurance cover must be paid for separately. Moreover, employers usually make a substantial contribution to the company scheme but rarely contribute to an employee's individual plan. (See page IX for how to make the choice between personal plans and company schemes)

About a quarter of the transfers examined by KPMG came from local government and the public sector, which run some of the best schemes in the country. These offer index-linked pensions and penalty-free transfers, provided an employee changes job within the public sector. Many teachers and nurses were among the unwitting victims (see right).

Which priority group do you fall into?

Pension opt-outs

Priority groups	Target date (By which most cases ought to be reviewed)
Priority group 1 People who are retired/spouses or dependants of people who have died People who left an employer's scheme, were aged 35 or over at the time they took out a personal pension and who are still with the same employer	31 December 1995
Priority group 2 People who decided not to join an employer's pension scheme, were aged 35 or over at the time they took out a personal pension, are paying their own money into a personal pension and who are still with the same employer People who left an employer's pension scheme, were under 35 at the time they took out a personal pension, are paying their own money into a personal pension and who are still with the same employer	30 June 1996
Priority group 3 People who left an employer's pension scheme, were aged 35 or over at the time they took out a personal pension and who are no longer with the same employer	31 December 1996

Pension transfers

Priority groups	Target date (By which most cases ought to be reviewed)
Priority group 1 Men over 55 at the time of transfer Women over 50 at the time of transfer People who have retired Spouses and dependants of people who have died	31 December 1995
Priority group 2 Men aged between 50 and 54 at the time of transfer Women aged between 45 and 49 at the time of transfer	31 December 1996

Source: Securities and Investments Board

PENSION TRANSFERS

Total number of cases: 600,000.

Priority cases: 100,000.

Number expected to receive compensation*: 20,000.

Average compensation per case*: £2,500.

Priority cases: These are split into two groups of older employees, since these face the most immediate difficulties in the run-up to retirement. The first group includes men over 55 and women over 50 at the time of transfer; those who have retired already; and the spouses and dependants of people who have died. These cases will be reviewed automatically by December 31 1995.

The second group includes men between 50 and 54 and women between 45 and 49 at the time of transfer. These cases will be reviewed automatically by December 31 1996.

Comment: The number of priority cases is small compared with the total and, of these, very few are expected to be compensated. Mitchell Philpott, director of independent adviser Lexis Pensions Consultants, says: "For many of these cases, actuarial calculations will show that prospective loss has not occurred."

James Higgins, managing director of independent adviser Chamberlain de Broe, adds: "Unfortunately, with the way personal pensions are sold, the client believes the transfer represents a simple choice between two similar pension arrangements. He probably did not understand what guarantees were given up, yet might well have signed a statement saying he did."

PENSION OPT-OUTS

Total cases: 450,000.

Priority cases*: 150,000.

Number expected to receive compensation: 250,000-300,000.

Average compensation per case*: £10,000.

NON-JOINERS

Total cases: 1m.

Priority cases: 60,000.

Priority cases: SIB assessed the opt-outs and non-joiners together in threa priority groups. The first includes (a) people who are retired, and the spouses or dependants of those who have died, plus (b) people who left an employer's scheme, were 35 or over at the time they took out the personal plan, and who are still with the same employer. These cases should be reviewed by December 31 1995.

Group 2 includes non-joiners over 35 when they took out a personal plan who are still with the same employer, plus those who were under 35 when they left the employer's scheme and who are still with the same employer.

The latter group must be paying contributions in addition to the National Insurance rebate paid to employees' personal plans where they opt out of the state earnings related pension scheme (Serps). These cases should be reviewed by June 30 1996.

Group 3 inclndes people who were over 35 when they left an employer's scheme and took out a personal pension (both rebate-only and where extra contribntions are paid) and who are no longer with the same employer. These cases must be reviewed by December 31 1996.

Where more information is required on the employees' pension options at the time of the sale, SIB asked providers to send questionnaires to priority cases. These will go out early next year.

Comment: Most people who were advised to opt out of a company scheme for a personal pension in theory should receive compensation because personal pension benefits do not match up to those offered by most schemes. But Philpott warns: "The logistics of identifying opt-outs is enormous and non-response will reduce significantly the numbers compensated."

Moreover, the priority category includes only those who are still with the same employer. If you changed jobs since taking out the personal plan – and an estimated 60 per cent have done so – then you are a non-priority case. Non-joiners represent the most difficult category to assess and experts believe few will be compensated.

■ Sources of help. For advice, telephone the Personal Investments Anthority (PIA) pensions unit on 071-417 7001; fax: 417 8100.

If you disagree with your review, you can complain to the relevant ombudsman or arbitration scheme. The provider or adviser should explain the appropriate complaints procedure in the redress letter.

To get SIB's fact sheet, *The Pension Transfer and Opt-Out Review*, send a large SAE to Pensions Fact Sheet, P.O. Box 701, Basildon, Essex SS14 3FD.

*Source: Lexis Pension Consultants.

■ Picking the right pension – page IX

Sutoris . . . High Court writs have been issued — Trevor Humphries

Mugged by salesmen

Mike Sutoris, a former teacher who now works in local government, got a multiple mugging from personal pension salesmen. The National Union of Teachers (NUT) has issued a High Court writ against the life companies involved.

The teachers' scheme is one of the best in the country in terms of guaranteed benefits and annual pension increases. For those who move within the public sector and local government, it is possible to transfer the full value of benefits.

Yet, Sutoris was advised in November 1987 to leave and start a retirement annuity contract – the forerunner to personal pensions – which took effect from early 1988. Later that year, he was advised to transfer his seven years' benefits out of the teachers' scheme to a personal plan.

"No mention was made of the guaranteed indexed pension I was giving up and the investment risks associated with personal pensions," he said. "I didn't realise I would lose out on the transfer – if I had known, I would not have gone ahead."

On the salesman's advice, he opted out of the state earnings-related pension scheme (Serps), and his rebates of National Insurance contributions were channelled into a separate personal plan.

Later, he was sold three more personal pensions to increase his regular premium policy in line with his salary increases.

The NUT has a heavy caseload of similar cases. Debbie Smith, who works in the legal department at the union's headquarters, said: "We have up to 100 complex cases like Mike's and our 10 regional offices have a similar case-load. Over 50 different life offices are involved."

Time is running short for some victims but the NUT has taken steps to protect these members. Smith explained: "Where one of our members was sold a personal pension in 1988, we have issued High Court writs to protect them against the six-year breach of contract time limit."

Several other unions, including the GMB, the miners and the nurses, are co-ordinating cases. If you have not yet done anything about your transfer, ask your union if it will help.

D.H.

FINANCE AND THE FAMILY

The week ahead

Cost-cutting lifts BP

TUESDAY: British Petroleum is expected to announce net profits of about £360m when it publishes third-quarter results. Cost-cutting in recent years is likely to leave it with a stronger improvement than has been achieved by its peers. The *chemicals* division could bring pleasant surprises, with a solid performance in the US.

TUESDAY: Interim results from Thames Water open the water companies' reporting season. The interims are expected to show an 8 per cent rise in pre-tax profits, before exceptionals, to £148m.

Investors will be watching two issues very closely in the first results after the summer's price review: first, the dividend, forecast to show an 8 per cent increase to 8p; and, second, the performance of the non-core businesses. A dose of further bad news on the non-core operation would not be welcomed.

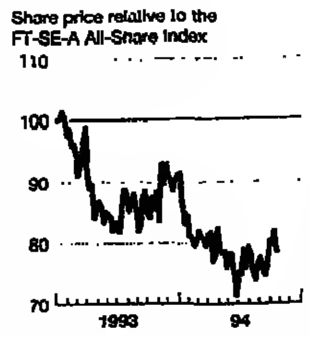
TUESDAY: Powerscreen International, the Northern Ireland-based manufacturer of screening and stone-crushing equipment, is expected to report interim pre-tax profits of £13m-£14m, against £12.6m last year. Analysts will be examining the performance of Simplicity Engineering and Ludlow-Saylor, two US businesses acquired in February.

WEDNESDAY: BET, the business services group, is expected to report pre-tax profits of about £54m for the six months to September, compared with £47m, but the picture is clouded by uncertainty over the scale of further rationalisation costs. The group, which over-expanded through acquisition in the 1980s, has recently seen a couple of high-level departures and analysts will want reassurance that its recent recovery remains on course.

Specifically, there has been little sign so far of the "bolt-on" acquisitions which John Clark, the chief executive, mooted in May.

BAT Industries

Share price relative to the FT-SE-A All-Share Index



Source: FT Graphite

WEDNESDAY/THURSDAY: Interims from J. Sainsbury, the UK's largest food retailer (Wednesday) and final results from Kwik Save, the biggest discount chain (Thursday), should provide an insight into the state of the grocery market.

Pre-tax profit forecasts for Sainsbury range from £430m to about £460m, with the consensus at around £445m - a 7 per cent increase from a re-stated £417m last year. Sales in the supermarket chain are expected to be up by about 7.5 per cent, with little price inflation.

Forecasts for Kwik Save are concentrated around £130m, an increase of only 3 per cent from last year's £126.1m. The group has been affected by the increased competition in the market, which is eroding its price advantage over the superstores. Analysts are looking for an increased interim dividend of about 5.5p, against 4.9p last time.

WEDNESDAY: BAT Industries is expected to report an increase of about 10 per cent in third-quarter pre-tax profits from last year's £455m. The main growth will come from US tobacco where BAT, along with other producers, has enjoyed a recovery from last year's pricing traumas brought on by "Marlboro Friday".

THURSDAY: Speculation over the future of Boots' pharmaceuticals division is expected to overshadow sharply improved interim figures from the retailing and drugs group.

Although it is expected to highlight an increase of about 33 per cent in first-half profits, analysts are likely to focus on the outcome of the company's year-long review of the drugs business.

This was prompted by last year's withdrawal of the heart drug Manoplax, which left a gap in products under development.

Boots' officials insist they are under no pressure to sell the business, which remains both profitable and cash-generative. But rumours that disposal was the favoured choice were heightened earlier this year when the company issued a confidential sales memorandum for potential bidders.

While confirming that it is in discussions with a number of companies, the group remains coy about its intentions - partly to avoid rousing fears of a possible withdrawal from Nottingham, where the pharmaceuticals division is based.

Meanwhile, interim pre-tax profits are forecast to have risen from £174.6m to about £233m, although last year's figures were depressed by £35m of charges. The chemists' chain, however, is expected to remain the most profitable division.

Directors' transactions

Ross boss sells 2m

DIRECTORS' SHARE TRANSACTIONS IN THEIR OWN COMPANIES (LISTED & USM)

Company	Sector	Shares	Value	No of directors
SALES				
Elam	RetG	59,999	172,797	2*
Farnell Elec	Dist	11,000	57,750	1
Independent Ins	Ins	150,000	373,500	1
Ropner	Divl	40,000	50,600	2
Ross Group	Dist	2,000,000	152,500	1
Scholes	EE&E	175,029	437,573	1*
Steel Burrill Jones	*Insu*	*30,000*	33,000	1
Storm Group	Mdia	283,101	31,141	1
Time Products	Dist	25,000	59,000	1
Watmoughs	PP&P	10,000	38,700	1
Wetherspoon	Brew	17,500	72,450	1
PURCHASES				
Argos	RetG	6,230	19,999	1
Carpetright plc	RetG	20,000	45,400	1
Cattles (Hldgs)	OthF	10,000	13,000	1
Eurotunnel	Tran	5,650	12,969	2
Erco	OthF	200,000	360,000	1
Fairway	PP&P	166,456	136,494	2
Ferrum Hldgs	Eng	50,000	17,000	1
Greenacre	Hlth	92,000	10,120	1
Group Dev	InvT	262,298	150,034	3
Hambro Countrywide	Prop	60,000	25,800	1
INCCO	Prop	280,000	28,000	2
Independent Ins	Insu	14,000	35,420	2
Kleinwort Endowmnt	InvT	20,000	21,000	1
MAI	OthF	5,000	12,100	1
Mezzanine C&I Trust	InvT	10,000	28,800	1
Senior Engineering	Eng	25,000	18,700	2
Taylor Woodrow	BCon	20,963	24,427	2
Town Centre	Prop	12,000	14,760	1
Utd Drug	Hlth	10,000	19,500	1
Wace Group	PP&P	15,000	33,150	1
Wassall	Divl	20,000	58,000	1
Whatman	Eng	*6,000*	*31,840*	1

Value expressed in £000s. This list contains all transactions, including the exercise of options (*) if 100% subsequently sold, with a value over £10,000. Information released by the Stock Exchange 17-21 October 1994.
Source: Directus Ltd, The Inside Track, Edinburgh

The sale by Ross Marks of 2m shares in Ross Group, a distribution company, comes after a big drop in its share price. A year ago, when the price was around 20p, we monitored considerable director buying. But Ross Group has had a wide range of problems, most recently in the technical division.

□ The largest sale of the week was at the Independent Insurance Group where Sir Iain Noble, a non-executive director, sold 150,000 shares at 249p. He retains more than 94,000. The company has been on the market since November 1993. Over the past month, its share price has underperformed by a small margin relative to the market.

□ Storm Group, which is involved in rights for cartoon-style characters (or their creators), featured on this list last month when managing director James Clarke bought 175,000 shares on joining the board. Most recently, Jerry Alpert, the senior vice-president in the US, sold stock at 11p - his entire holding.

Vivien MacDonald
The Inside Track

RESULTS DUE

Company	Sector	Anncmnt due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS					
Bellway	B&C	Wednesday	4.0	8.0	2.2
Broadgate Inv Tst	InTr	Wednesday	-	1.8	-
Edinburgh Incs Tst	InTr	Monday	-	-	-
Euromoney Publications	Med	Thursday	10.5	27.5	13.0
Fleming Chinese Inv Tst	*InTr*	*Monday*	-	-	-
Frederick Cooper	Eng	Wednesday	0.7	1.5	0.8
Intl Comm & Data	SpSv	Monday	-	-	-
Kwik Save Group	ReFd	Thursday	5.4	12.9	5.75
Lowland Inv Co	InTr	Monday	3.2	5.8	3.3
MMT Computing	SpSv	Thursday	-	-	-
On Demand Info	Med	Wednesday	-	-	-
Scottish Natl Tst	InTr	Tuesday	-	-	-
Smart (J) Contractors	B&C	Thursday	2.3	6.2	2.3
Usborne Plc	FdMa	Thursday	0.2	0.4	-
INTERIM DIVIDENDS					
Abtrust New Thai IT	*InTr*	*Monday*	-	1.0	-
Anglo St. James	Prop	Monday	-	-	-
BAT Industries	Tob	Wednesday★	-	-	-
BP Co	Oil	Tuesday★	2.5	-	-
Banner Homes Group	B&C	Friday	-	1.0	-
Bertam Hldgs	OtSv	Monday	-	2.5	-
Beverley Group	n/a	Monday	-	-	-
Boots Co	ReGn	Thursday	4.9	10.1	-
Burtonwood Brewery	Brew	Friday	0.7	4.3	-
Campbell & Armstrong	B&C	Monday	-	-	-
Capital Gearing Tst	InTr	Tuesday	-	0.43	-
Celsis Intl	Hlth	Tuesday	-	-	-
Cook (William)	Eng	Friday	2.6	5.0	-
Danka Business Systems	E&EE	Monday	0.75	0.75	-
Fairbriar	B&C	Monday	-	-	-
Finsbury Tst	InTr	Thursday	1.2	2.0	-
GBE Intl	Eng	Monday	-	1.25	-
German Inv Tst	InTr	Thursday	-	0.08	-
German Smaller Co's Inv	*InTr*	*Wednesday*	-	1.4	-
Jermyn Inv Co	InTr	Wednesday	-	-	-
Mezzanine Cap & Inc Tst	*InTr*	*Wednesday*	-	-	-
Newport Hldgs	Prop	Monday	-	-	-
Northumbrian Fine Foods	*FdMa*	Monday	-	-	-
Oceana Cons Co	OtFn	Friday	0.5	2.0	-
Panther Securities	*Prop*	*Monday*	-	-	-
Powerscreen Intl	Eng	Tuesday	2.0	5.3	-
Quadrant Group	LeH	Thursday	-	-	-
Rackwood Mineral Hldgs	Extl	Monday	-	-	-
Raglan Properties	Prop	Thursday	-	-	-
Rexmore	Text	Tuesday	1.0	1.5	-
Rowe Evans Inv	OtSv	Monday	-	2.0	-
Safeland	Prop	Tuesday	0.6	0.79	-
Sainsbury (J)	ReFd	Wednesday	3.0	7.6	-
Schroder Korea Fund	InTr	Tuesday	-	-	-
Seton Healthcare Group	Hlth	Thursday	1.9	4.6	-
Siam Selective Growth	InTr	Tuesday	-	0.6	-
St Davids Inv Tst	InTr	Monday	-	-	-
TBI	Prop	Friday	-	-	-
Thames Water	Wtr	Tuesday	7.4	15.1	-
Toye & Company	Text	Monday	-	-	-
Westbury	B&C	Tuesday	1.75	3.5	-

*Dividends are shown net pence per share and are adjusted for any intervening scrip issue. Reports and accounts are not normally available until about 6 weeks after the board meeting to approve preliminary results. ‡‡ 1st quarterly. ♦ 2nd quarterly. ★ 3rd Quarterly

TAKE-OVER BIDS AND MERGERS

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated					
Aitken Hume	55*	51	51	29.60	Allied Group
Andrews Sykes	65*	68	67	10.70	Euro Fire Prot.
Attwoods	109	114	109	384.00	Browning-Ferris
Dale Electric	70½*	72	60	16.00	TT Group
Plantsbrook ‡	175*	173	165	193.00	SCI
Scholes ‡	250*	253	193	98.10	Hanson
Towles ‡	275*	268	243	4.22	London City
Trans World ‡	181	178	173	70.80	EMAP
VSEL	1291	1394	1228	490.27	Brit Aerospace
VSEL	1400*	1394	1323	532.00	GEC

*All cash offer. §For capital not already held. ‡ Unconditional. **Based on 2.30 pm prices 21/10/94. §§Shares and cash

PRELIMINARY RESULTS

Company	Sector	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Air London	Tran	Jul	726	(640)	3.S	(3.5)	-	(-)
BM Group	Eng	Jun	71,500 L	(117,000L)	-	(-)	-	(-)
Bridport Gundry	Text	Jul	753	(162)	6.1S	(0.84)	3.0	(2.9)
Bula	OilE	Jun‡	1,350 L	(2,570 L)	-	(-)	-	(-)
CentreGold	L&H	Jul	4,030	(2,720)	7.3	(5.63)	2.4	(2.0)
DY Davies	Prop	Apr	56 L	(793 L)	-	(-)	-	(-)
Essex Furniture	ReGn	Jun	1,410	(1,090)	8.05	(6.24)	4.3	(3.5)
Fleming Japanese Inv	InTr	Sept	260.7	(245.1)	0.02	(0.48)	-	(0.45)
IAWS Group	FdMa	Aug†	12,600	(10,100)	2.415	(2.1)	-	(-)
London & St Lawrence	InTr	Aug†	180.4	(175.32)	3.86	(4.39)	6.24	(-)
Majedie Investments	InTr	Sept	227.0	(221.0)	5.64	(5.35)	5.25	(5.0)
McKechnie	Eng	Jul	35,300	(24,500)	27.1	(21.4)	14.75	(14.75)
Pressac	E&EE	Jul	2,210	(1,950)	5.6	(4.86)	2.83	(2.57)
Scottish Metro Prop	Prop	Aug	11,300	(1,780 L)	8.82	(-)	2.0	(1.5)
Sunset & Vine	Med	Jun	1,020	(108)	12.1	(1.3)	4.0	(3.5)
Trace Computers	SpSv	May	410	(211)	2.33	(1.1)	1.5	(1.45)
UDO Holdings	OtSv	Jul	4,910	(3,730)	11.55	(9.99)	8.0	(7.2)
Wolseley	BdMa	Jul	202,300	(121,100)	50.77	(33.60)	16.72	(13.30)

INTERIM STATEMENTS

Company	Sector	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
AAF Industries	EngV	Jul	6,370	(11,000 L)	-	(-)
Blacks Leisure	ReGn	Aug	53 L	(638)	0.75	(0.75)
Boxmore Intl	PP&P	Jun	3,750	(2,720)	1.375	(1.25)
Bourne End Props	Prop	Jun	231	(145 L)	0.5	(0.75)
Bradford Prop Tst	Prop	Oct	12,300	(17,500)	3.2	(2.88)
British Amer Film	OtFn	Jul	675	(616)	4.8	(4.275)
Broadcastle	OtFn	Jun	121	(224)	0.5	(0.25)
Contra-Cyclical	InTr	Sep	311	(508)	2.25	(-)
Country Casuals	ReGn	Jul	1,490 L	(117)	1.41	(1.41)
Cullen's Holdings	ReFd	Aug	115	(18)	-	(-)
EFG	OtSv	Jul	615	(804)	-	(-)
Edinburgh Inv Tst	InTr	Sept	328.6	(311.81)	3.05	(2.95)
El Oro Mining	OtFn	Jun	1,040	(827)	-	(-)
El Oro Expl Co	OtFn	Jun	766	(751)	-	(-)
Fleming Contl Euro	InTr	Sept	324.1	(321.8)	-	(-)
Fleming Euro Fledging	InTr	Sept	102.2	(98.3)	-	(-)
Flying Flowers	ReGn	Sep♦	267	(83)	-	(-)
Gartmore British Inc	InTr	Sept	78.0	(94.9)	1.82	(1.82)
Gerard & National	OtFn	Sep	14,400	(10,400)	8.0	(8.0)
Gieves Group	ReGn	Jul	518	(837)	0.5	(-)
Guardian Media Grp	n/a	Oct	18,700	(11,500)	-	(-)
Hunting	Eng	Jun	13,500	(17,700)	4.0	(4.0)
ICI	Chem	Sep♦	131,000	(72,000)	-	(-)
I&S Smaller Co's Tst	InTr	Sept	120.11	(116.29)	1.0	(1.0)
Inchcape Estates	n/a	Jun	8,260 L	(1,840)	-	(-)
Lep Group	SpSv	Jun	9,660 L	(5,050 L)	-	(-)
London & Metropolitan	Prop	Jun	2,140 L	(3,450)	-	(-)
Midland & Scot Res	OilE	Jun	7,180 L	(19,500 L)	-	(-)
Moss Bros	ReGn	Jul	1,020	(625)	3.0	(1.5)
Ocean Wilsons	Tran	Jun	2,280	(3,090)	1.0	(1.0)
Olives Property	Prop	Jun	224	(720)	-	(-)
Scottish Mtge & Tst	InTr	Sept	345.8	(-)	1.4	(1.35)
Shiloh	Text	Oct	622	(490)	1.0	(1.0)

(Figures in parentheses are for the corresponding period.)
*Dividends are shown net pence per share, except where otherwise indicated. L - loss. † Net asset value per share. ‡ Irish punts and pence. ♧ 3 month figures. ф US dollars and cents. §§ 18 month figures. ♦ 9 month figures. ★ 28 week figures.

RIGHTS ISSUES

Apollo Metals is to issue up to 11m shares on a 3 - 5 basis at 17p.
Bullers is to raise about £1.3m via a rights issue.
Pressac is to raise £9.75m via a 1 - 2 at 85p rights issue of 12.3m shares.

OFFERS FOR SALE, PLACINGS & INTRODUCTIONS

Ashbourne is to raise about £50m via a placing and open offer.
Broadcastle is to raise £3.9m via a placing and offer of 7.47m shares at 24p plus an issue of 2m Pref. shares at £1.
Euclidian is to raise £20m via a placing.
Foreign & Colonial is to place 30m C shares at 100p in a public offer.
Hydro International is coming to the market via a £4m placing and full listing.
JJB Sports is coming to the market via £13.5m flotation.
Kleinwort China Fund is to raise £19m via a placing of new shares and warrants.
Prospect Industries is to issue 83.2m new shares at 14p.
Scantronic is to raise up to £2.8m via a placing and offer of 16.1m shares.
Seapetect is coming to the market via a £27m placing and offer.
TLG is to raise £90m via a placing and offer of 78.3m shares at 115p.
Ushers is coming to the market via a £100m flotation.

FINANCE AND THE FAMILY

More power to the people

***David Lascelles** on the £186m payout to shareholders by East Midlands Electricity*

Shareholders in East Midlands Electricity will be celebrating Christmas early this year, and other electricity company sbareholders could be joining them. Ou Monday, East Midlands announced a special interim dividend of £186m, or 85p a share. Since the average shareholder owns 200, this will produce a cheque for £170 some time towards the end of November.

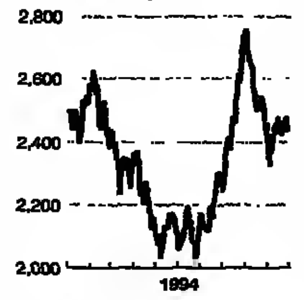
Like the share buy-backs that other utilities have announced in recent weeks, East Midlands' sudden generosity was prompted partly by the embarrassingly large amount of cash it has accumulated since privatisation and partly by a fear that Kenneth Clarke, the Chancellor of the Exchequer, might try to get his hands on it when he brings down the Budget next month.

For a number of reasons, East Midlands thought the special dividend was a better way of getting this cash to shareholders than buying in shares. According to chairman Nigel Rudd, it is fairer: all the shareholders get the cash, rather than just those who are lucky enough to be at the top of the buy-back queue.

It is also better for East Midlands' staff who are saving up to exercise options on shares at a set price: it gives them a bigger profit when they exercise the options.

The third reason is that there is greater tax certainty: the Inland Revenue has said that tbe dividend will be treated like any other, and those who qualify for a tax credit will get it. In the case of a share buy-back, decisions are made on a case-by-case basis.

UK electricity



Source: FT Graphite

The dividend was only half the story, though. East Midlands also announced it was consolidating its shares on a 22-for-25 basis. This will offset the value by which they might be expected to fall to reflect the amount of cash being taken out of the company. So, at the end of the day, the share price should remain the same. (At the moment they are ex-special dividend and trading well below their earlier price. This will remain the case until November 24 wben shareholders are due to approve the transaction).

In the long run, though, Rudd says earnings per share should beoefit because the company bas become more-highly geared because of the pay-out, and its assets will be working harder.

Analysts generally welcomed the pay-out and cast around for other possible candidates. The obvious ones are Yorkshire Electricity and Southern Electric, the only two regional electricity companies which have not, so far, passed surplus cash back to their shareholders.

Another possible is Eastern, which did its buy-back before the industry regulator introduced new price formulas in August which enabled companies to work out how much surplus cash they would have.

The cash band-outs may have got the stock market excited but they were not popular politically. East Midlands' move brought angry protests from consumer groups which thought the money sbould go to customers rathsr than shareholders.

Labour's trade and industry spokesman, Jack Cunningham, also called for an inquiry into "profiteering" and said: "East Midlauds' cousumers have been forced to pay 20 per cent more for their electricity since privatisation."

Tax-free – for now

An investment offering unlimited taxfres capital gains from UK shares might sound too good to be true. But a new issue from Fidelity promises investors precisely that.

The equity index-linked loan stock attached to the new Fidelity Special Values investment trust is a low-cost instrument, with a capital value that will mirror exactly the ups and downs of the FT-SE-A All-Share index. Any capital gains are not taxable.

The loan stock makes use of tax legislation which treats bonds issued by companies in the same way as government gilts, which are exempt from capital gains tax. The downside is that losses cannot be offset against gains elsewhere.

Still, even index-linked gilts only keep pace with the retail price index, not with share prices which, over time, have tended to rise faster than inflation (although, of course, there is no guarantee of this). If, at the end of the Fidelity stock's 10-year life, the All-Share index has fallen below its present level, investors will get back less than they paid.

The stock will also pay interest twice a year, set to reflect the yield on the All-Share index – now about 4 per cent. This income *is* taxable.

About half a dozen investment trusts have issued equity index-linked loan stock, but Fidelity appears to be the first group to achieve this tax-exempt status. Loan stock issued by Fidelity European Values in 1991 and in January this year also has the same tax status.

Stocks issued by other trusts have not met the exact criteria to be defined as both qualifying indexed securities and qualifying corporate bonds.

Stock issued by Scottish American investment trust, for example, is classified as a deep-gain security; this means gains are taxed as income, making it unattractive to private investors. Broadgate's loan stock is classified as a qualifying indexed security, but does not have qualifying corporate bond status. This means investors' gains are taxed like equity gains: you can use your capital gains tax allowance and indexation, and losses are allowable against other capital gains.

The position of the two issues of index-linked loan stock by Ivory & Sime trusts – British Assets and Selective Assets – has not yet been clarified.

Yet, even the issues which are liable for capital gains tax can be attractive to private investors (particularly smaller investors who do not use up their annual capital gains tax allowance) as they are straightforward, index-tracking instruments and are lower cost than index-tracker unit trusts, wblch charge an annual management fee.

The new Fidelity issue is also the first to be accessible easily to private investors; previously, most issues of index-linked loan stock have been suapped op by large institutions which manage index-tracker funds. The minimum purchase of Fidelity's loan stock is £5,000.

If there is strong demand for this issue, other fund managers are likely to come up with similar products – but an expanding market could attract less welcome attention. "It is a loophole, whichever way yon look at it," said one industry insider. The worry is that such loopholes tend to be closed smartly by the Inland Revenue.

Bethan Hutton

New issues

Investors are wary

What price new issues? Despite *FT* research, published in *Thursday's paper*, showing an adequate return from a majority of this year's stock market debutants, adverse publicity about a small but significant oumber of new issues has affected investor sentiment to other flotations.

TLG, the holding company for Thorn Lighting Group, this week became the latest group to onveil a lower valuation on its shares than previously foreseen. TLG's valuation of £205m is more than £20m below its expectations just two weeks ago when the pathfinder prospectus was issued.

"They tried to come to the market at 125p a share – 10p higher than the actual price – but the institutions wouldn't wear it," said one analyst.

Yet, the *FT* research – which covered 85 issues between the start of January and the end of September, excluding investment trusts, investment companies, demergers and non-UK businesses – showed new issues outperforming the FT-SE-A All-Share index by 0.8 per cent. Even where new issues underperformed the market, they often scored better against their sector indices.

The survey also indicated that the worst-performing stocks were priced between the back end of 1993 and the first quarter of 1994, a period when the stock market was riding high and optimism over the scope of the recovery helped to fuel expectations.

Low interest rates and investor demand for smaller companies geared to the recovery led many private companies to consider an earlier flotation. The result was a flood of new issues which ranged widely in quality and were priced for the most optimistic potential.

"There's no doubt that healthy cynicism has returned again," says Andrew Parry, head of UK equities at fund manager Baring Securities. "The prices being put on new issues are realistic."

This view was echoed by several other fund managers – indicating that many new entrants desiring at least a market rating will now have to earn it.

As if to prove the point, dealing began this week in Filtronic Comtek, which also saw its valuation expectations reduced when its shares were priced recently. They are being traded at a 15 per cent premium to their issue price.

Christopher Price

FINANCE AND THE FAMILY

The end of unit trusts?

Share-issuing Oeics could take over, says ***Scheherazade Daneshkhu***

Oeics - pronounced the way a pig might - are an unfamiliar sound to the ears of most unit trust investors but that is set to change. If all goes well, fund management groups will be able to market Oeics, or open-ended investment companies, from next summer.

These are described widely as a "modern" type of unit trust - the type unshackled by ancient trust law which has been a barrier to marketing unit trusts to the rest of Europe. But since Oeics have been years in the making, many fund management groups have hopped offshore to establish their marketing gateway to Europe from more congenial regulatory environments such as the Channel Islands, Luxembourg and Dublin.

Having done this, they may choose to remain where they are. And because Oeics will have a different pricing structure from existing unit trusts, it could be - initially, at least - that their impact will be greater at home than abroad by forcing changes on the structure of existing unit trusts.

Final details on the structure of Oeics are yet to be honed but they will differ from unit trusts in two significant ways. They will issue shares instead of units and they will have a single pricing structure instead of the present dual system.

■ **Single pricing**

At the moment, investors buy units at the "offer" price and sell at the lower "bid" price. The difference between the two, known as the bid-offer spread, is often in the range of 7-8 per cent although it can be much higher.

Unit trusts have a dual pricing system because their underlying assets - the stocks and shares which the fund manager buys - also operate on two different prices. But the spread on a unit trust is much wider than that on stocks and shares because it includes the initial charge - the manager's sales levy, which is usually between 5 and 6 per cent - as well as stamp duty and brokerage.

Under single pricing, an investor would pay the same figure no matter whether he wanted to buy or sell units - probably, mid-way between the bid and offer prices. Stamp duty would be payable on top and the manager would quote the initial charge separately. The annual management fee would, as at present, be stated separately.

Yet, Jeremy Burchill, compliance officer at M&G, the largest unit trust group, is concerned about the viability of

the modern and the old living side by side. "Since Oeics will have single pricing and will be sold to private investors, I think it is undesirable for the two different types of pricing to exist," he says.

Many in the industry expect single pricing for Oeics to result in single pricing for unit trusts as well. Some even believe that Oeics represent the demise of the unit trust. One said: "In a few years, we will be wondering what a unit trust was."

Further steps are being taken along the path to deregulation. From Tuesday, newspapers - including the *Financial Times* - will not be publishing the "cancellation" price, the lowest level at which a company will buy back units from an investor. This is used mostly by institutions which buy and sell units in far greater numbers than private individuals.

More importantly, unit trusts will be able to impose exit charges on their funds. Because of a quirk in the rules they have, until now, been able to do this only on unit trusts sold within a personal equity plan.

This flexibility has been used most effectively by M&G in the marketing of its Managed Income Pep, which attracted around £500m within six months of its launch in January.

With this Pep, M&G eliminated altogether the initial charge but introduced five-year withdrawal charges instead.

Philip Warland, director-general of the Association of Unit Trust and Investment Funds, says: "We are likely to see more price competition as companies take advantage of greater pricing liberalisation."

This should be good news for private investors, but it also means they should be careful not to be swayed by the pricing structure on a fund but to choose a trust - or, indeed, an Oeic - based on their needs and the management company's performance record.

NEW INVESTMENT TRUST LAUNCHES

Manager (Telephone)	Broker	Sector	Warrants	Targets: Size £m	Targets: Yield %	PEP Qual?	Savings Scheme	Issue Price p	Minimum NAV p	Outside PEP: Minimum Invst. £	Outside PEP: Annual Charge %	Inside PEP: Minimum Invst. £	Inside PEP: Annual Charge %	Offer Period
■ **Fidelity Special Values** Fidelity (0800 414161)	S.G. Warburg	UK Growth	1:5	30+	n/a	Yes	Yes	100p	95.5p	£1,000	0.95	n/a	n/a	19/10/94-9/11/94
New twin for Fidelity's Special Situations unit trust, run by Anthony Bolton														
■ **Fleming Natural Resources** Fleming (071 382 8989)	Cazenove	Commodity & Energy	1:5	25+	n/a	No	Yes	100p	96p	£2,000	0.9	n/a	n/a	1/11/94-23/11/94
Trust will invest in commodity and energy companies worldwide. Short life of 2½-5 years.														
■ **Foreign & Colonial Emerging Markets** Foreign & Colonial (071 628 8000)	Credit Lyonnais Laing	Emerging Mkts	1:5	100	n/a	No	Yes	100p	95.5p	£2,000	1.5%	n/a	n/a	26/10/94-14/11/94
C-share issue from established emerging markets trust, ranked second in its sector over three years														
■ **Invesco Korea Trust** Invesco (0800 010333)	de Zoete & Bevan	Far East ex Japan	1:5	30	n/a	No	Yes	100p	96p	£2,000	1%	n/a	n/a	closes 2/11/94
C-share issue to raise new capital for this three-year-old, £40m specialist trust														
■ **Murray Emerging Economies** Murray Johnstone (0345 222 229)	De Zoete & Bevan	Emerging Mkts	1:5	20m+	n/a	No	Yes	100p	95.5	£1,000	1.25%	n/a	n/a	9/11/94-29/11/94
Investing in real emerging markets - India, China, Brazil, Hungary etc - not "gateways" like Hong Kong or Vienna														

NEW UNIT TRUST LAUNCHES

Manager (Telephone)	Sector	Target Yield %	Full PEP Qual	Savings Schemes Avail.	Charges outside PEP: Initial %	Annual %	Other %	Minimum Invst. £	Charges inside PEP: Initial %	Annual %	Other %	Minimum Invst. £	Special offer: Discount %	Period
■ **Global Growth Pep Fund** Martin Currie (0800 838776)	International Growth	1	Yes	Yes	5.25	1.5	No	£1,000	5.25	1.5	No	£1,000	‡	17/10/94-5/11/94
Launched to attract the Pep market this is more UK and Europe-oriented than the company's International growth fund, ranked 14 of 115 funds over 5 years														

‡ 2 percentage point discount for investors tranferring from other Pep schemes

Savings rates up at last

The long-awaited rise in variable savings rates, following the increase in base rates on September 12, has only now started to come through. That from the Halifax, which took effect from October 21, was 0.35 of a percentage point on most accounts.

Compared with the rest of the industry, this seems fair. Bearing in mind, however, the millions of pounds the Halifax must have saved by its delay, it would have been hoped that the rise could have matched the increase the society made to its borrowers' rate (0.46 of a point).

Alliance & Leicester, Britannia and Leeds are the major movers this week, but their increases have not been across the board and vary from tier to tier. At least these societies have moved. Many have yet to react, taking the view that, if the money is still coming in, there is no need to raise rates. Credit must be given to Barclays, which increased rates to savers by the full half percentage point on September 12.

All savers need to keep a wary eye on their investment products. Even where new rates have been announced, some tiers have risen by only 0.05 of a point and savers could do better elsewhere.

Fixed-rate products that were quick to go up after the base rate increase are also beginning to fall, or be withdrawn, as rumours of another base rate rise subside.

Halifax has reduced rates on its Guaranteed Reserve account by half a percentage point in recent weeks, and market-leading rates from Cheshire and Skipton have been withdrawn. Guaranteed income bonds are also on the slide: the best is down again to 8 per cent net (10.66 per cent gross).

Christine Bayliss, Moneyfacts

HIGHEST RATES FOR YOUR MONEY

	Account	Telephone	Notice/ term	Minimum deposit	Rate %	Int. paid
INSTANT ACCESS A/cs						
Confederation Bank	Liquidity	0438 744500	Instant	£100	5.25%	Yly
Manchester BS	Money-by-Mail	061 839 5545	Postal	£1,000	5.80%	Yly
Skipton BS	3 High Street	0756 700511	Instant	£2,000	6.10%	Yly
Northern Rock BS	Go Direct	0500 505000	Instant	£20,000	6.65%	Yly
NOTICE A/cs and BONDS						
Northern Rock BS	Postal 60	0500 505000	60 DayP	£10,000	6.75%	Yly
National Counties BS	90 Day	0372 742211	90 Day	£50,000	7.25%	Yly
Halifax BS	Special Reserve	0422 333333	1 Yr Bnd	£10,000	7.35%	OM
Chelsea BS	Four Year Fixed	0800 272505	31.12.98	£10,000	9.00%F	Yly
MONTHLY INTEREST						
Britannia BS	Capital Trust	0538 391741	Postal	£2,000	5.70%	Mly
Confederation Bank	Monthly Income	0438 744500	30 Day	£2,000	6.25%	Mly
Northern Rock BS	Postal 60	0500 505000	60 Day	£10,000	6.55%	Mly
Chelsea BS	*Four Year Fixed*	*0800 272505*	31.12.98	£10,000	8.65%F	Mly
TESSAs (Tax Free)						
Confederation Bank		0438 744500	5 Year	£8,900	9.00%F	Yly
Market Harborough BS		0858 463244	5 Year	£9,000	7.60%	Yly
Hinckley & Rugby BS		0455 251234	5 Year	£3,000A	7.50%	Yly
Holmesdale BS		0737 245716	5 Year	£1	7.40%	Yly
HIGH INTEREST CHEQUE A/cs (Gross)						
Woolwich BS	Current	0800 400900	Instant	£500	3.50%	Yly
Halifax BS	Asset Reserve	0422 335333	Instant	£5,000	4.85%	Qly
Chelsea BS	Classic Postal	0800 717515	Instant	£2,500	6.00%	Yly
				£25,000	6.35%	Yly
OFFSHORE ACCOUNTS (Gross)						
Woolwich Guernsey Ltd	International	0481 715735	Instant	£500	5.75%	Yly
Confederation Bank Jersey	Flexible Inv	0534 608060	60 Day	£10,000	6.30%	½Yly
Derbyshire (IOM) Ltd	Ninety Day	0624 663432	90 Day	£10,000	6.55%	Yly
Yorkshire Guernsey Ltd	Key Extra	0481 710150	180 Day	£50,000	7.30%	Yly
GUARANTEED INCOME BONDS (Net)						
AIG Life FN		081 680 7172	1 Year	£15,000	5.70%	Yly
AIG Life FN		081 680 7172	2 Year	£15,000	6.45%	Yly
Save & Prosper Group		0800 282101	3 Year	£5,000	7.00%	Yly
General Portfolio FN		0279 462839	4 Year	£10,000	6.80%	Yly
Eurolife		071 454 0105	5 Year	£10,000	8.00%	Yly
NATIONAL SAVINGS A/Cs & BONDS (Gross)						
	Investment A/C		1 Month	£20	5.25%G	Yly
	Income Bonds		3 Month	£2,000	6.50%H	Mly
	Capital Bonds I		5 Year	£100	7.75%F	OM
	First Option Bond		12 Month	£1,000	6.40%FI	Yly
	Pensioners GIB 2		5 Year	£500	7.50%F	Mly
NAT SAVINGS CERTIFICATES (Tax Free)						
	42nd Issue		5 Year	£100	5.85%F	OM
	8th Index Linked		5 Year	£100	3.00%F +Infln	OM
	Childrens Bond G		5 Year	£25	7.85%F	OM

This table covers major banks and Building Societies only. All rates (except those under heading Guaranteed Income Bonds) are shown Gross. F = Fixed Rate (All other rates are variable) OM = Interest paid on maturity. N= Net Rate. P= By Post only. A= Feeder account required. G= 5.75 per cent on £500; 6 per cent on £25,000 and above. H= 6.75 per cent on £25,000 and above. I= 6.80 per cent on £20,000 and above. Source: MONEYFACTS, The Monthly Guide to Investment and Mortgage Rates, Laundry Loke, North Walsham, Norfolk, NR28 0BD. Readers can obtain an introductory copy by phoning 0692 500665. Figures compiled on: 27 October 1994

FINANCE AND THE FAMILY

Learning the tricks of the trade

*Ever wondered where financial advisers get their know-how? **Motoko Rich** goes on a training course*

Stephen Harrington is n junior manager in an electronics firm who earns £27,000 a year. Wife Diana left her job four years ago to bring up their children, now aged two and six. Stephen has no death-in-service benefits nnd the only life cover they have is a joint life endowment policy covering their £40,000 mortgnge. So what would Diana need if Stephen was to die now?

While tbis might sound a morbid question, financial advisers deal with such issues every day. And such qnestions are considered protective, not morbid.

This week, I was invited – along with five other journalists and a press officer – to consider the life industry's perspective during a two-day course for trainee sales agents at Legal & General. Sealed off from the world in a converted country residence at Kingswood, a village in Surrey, we reviewed a range of subjects including regulation, taxation, mortgages, life assurance and pensions.

When I decided to attend the course, I was sceptical; for the industry has not earned a particularly trustworthy reputation in recent times. During the past year alone, several life offices – including L&G – have been fined by Lautro, the industry regulator, for a failure to control their sales forces.

Then, too, there was this week's announcement of action by the Securities and Investments Board over mis-selling of personal pensions. So, it has been easy to wonder if training methods have, at least in part, been to blame for the industry's problems.

Finally, as a potential consumer, I wanted to see what sales staff were taught to do before trying to part people from their money. Was it just a big con?

It turned out that this was not true. Equally, though, if consumers do not bave tbe chance to attend such courses – and most do not – they could well *be* conned. For the basic assumption of the entire L&G course – and the industry – is that all the services an insurance company offers do fulfil genuine needs. This, most certainly, is not always the case.

This basic principle was introduced at the outset of the course. Mike, one of two earnest trainers, launched it with a session on "the need for financial services". He asked us to fill in the first of many work sheets; this one listed financial commitments for eight stages of life, signposted by conventional institutions such as home ownership, marriage, children and retirement.

Then, we were asked to fill in a column marked: "What Could Go Wrong". From the answers we provided, he urged us to extrapolate the need for countless financial products.

Throughout the course, the trainers produced an overhead projection slide of these life stages with irritating regularity. Woven in between factual information about taxation, social security benefits and industry regulation were references to this "life line" and the all-important need to provide for each stage with products from tbe financial services industry.

In many cases, though, the products they claimed were crucial would simply be over-kill and, moreover, a waste of money. It is hard to believe, for example, that a young person who is earning but still living at home needs to consider a life assurance policy or critical illness cover. Yet, from personal experience, I know that financial advisers try to target snch groups.

The trainers were careful to emphasise the requirement for advisers to inform clients of product risks and poor surrender yields. They also stressed constantly the importance of a

"fact find" to determine a client'a legitimate needs. But there was never any mention of the fact thet some of the industry'a products – such as endowment policies – are now considered inappropriate for most people.

By using the life line as a framework for determining client needs, the course did not take into account many changes in society such as increased periods of unemployment or multiple careers. These do not fit very soundly with most of the products offered by insurance companies: namely, policies tbat require regular premium payments over a long period. In many ways, the training course simply seemed out of step with the times.

Nevertheless, the course was reassuring in that the company expected us to be familiar with a broad range of topics. Preparation for the classroom portion came in the form of a 400-page manual, which we were told to study for at least 40 hours. In my case, it was more like 10.

At the end of the course, we took an examination modelled on the first paper of the Chartered Insurance Institute's* financial planning certificate (FPC1). At L&G, the FPC1 is the first hurdle all trainees must overcome before proceeding to instruction in specific products, sales skills and, ultimately, selling itself.

"It is a relatively low-level qualification," said Clive Sanderson, divisional director of examinations at the CII. "But, nevertheless, it is very thorough in that it does introduce the regulatory situation and generic products."

I passed L&G's mock exam by the narrowest margin. But it is slightly worrying that I achieved this benchmark qualification without a great deal of conscientious effort – especially since Dick Evemy, L&G's training manager, said that "a majority" of recruits who walk through the doors of the training centre pass it. It is even more worrying that independent financial advisers – those who are not tied to o particular company – can sell on the basis of FPC1 knowledge alone.

I would not want to give financial planning advice to anyone merely on the basis of what I learned from the course. This is not an adequate foundation for *giving* professional advice (although there is slight relief in knowing that Lautro requires all company representatives to have more training before being allowed to approach customers).

What I do believe, however, is that it is the only adequate basis for *receiving* professional financial advice. Without it, or some equivalent, I could easily feel that I was being blinded by jargon or concepts I did not understand.

The CII produces course material for its FPC exams, and although they are marketed widely to industry sales agents, any member of the public is welcome to buy a study pack for £40. It could be the best financial investment you make.

Regulators who are concerned about investor protection should not only be concerned with proper training of the industry's sales force. They should also put more effort into informing the consumer.

Perhaps the new Personal Investment Authority could sponsor a course for customers called "Let the Buyer Beware".

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Managers under the microscope

***John Cuthbert** devises a new way to measure performance*

MVA* by investment category of ten top-selling unit trust firms 1993

Group name	Equity core MVA %	MVA fraction	Equity spec'list MVA %	MVA fraction	Bond MVA %	MVA fraction
M&G	25	(4/16)	57.1	(4/7)	0	(0/1)
Barclays Unicorn	8.33	(1/12)	12.5	(1/8)	100	(1/1)
Baring	33.3	(3/9)	66.7	(2/3)	0	(0/1)
F&C Hypo	0	(0/5)	100	(1/1)	n/a	n/a
Fidelity	40	(4/10)	50	(3/6)	0	(0/3)
Gartmore	57.1	(4/7)	50	(3/6)	0	(0/1)
Legal & General	12.5	(1/8)	100	(2/2)	0	(0/3)
Mercury	30	(3/10)	0	(0/3)	0	(0/1)
Perpetual	75	(6/8)	100	(2/2)	n/a	n/a
Schroder	100	(5/5)	50	(1/2)	0	(0/1)

MVA: management group value-added. Source: Unit Trust Group MVA by JP Cuthbert

MVA* of ten top-selling unit trust firms 1993

Group name	Overall MVA %	MVA as fraction
Perpetual	80	(8/10)
Schroder	75	(6/8)
Gartmore	50	(7/14)
Baring	39	(5/13)
Fidelity	36.8	(7/19)
M&G	33.3	(8/24)
Legal & General	23.1	(3/13)
Mercury	21.4	(3/14)
F&C Hypo	16.7	(1/6)
Barclays Unicorn	14.3	(3/21)

MVA: management group value-added. Source: Unit Trust Group MVA by JP Cuthbert

Investors and financial advisers are often prompted to put tbeir money in a particular unit trust by their perception of the management group's overall performance. But there is little evidence that unit trust groups grow or dwindle as a result of performance results alone – perhaps because investors and advisers bave no authoritative aource of information about group performance.

I have devised a simplistic but easy-to-understand way of looking at management group performance. The method is called Management Group Value Added, or MVA.

First, I adjust the performance of each of a group's funds for the riskiness of its investment strategy. The MVA is then tbe proportion of a group's funds whose risk-adjusted performance exceeds that of an appropriate benchmark. It measures a group's ability to add value consistently. A group with five funds, three of which exceeded the performance benchmark would, therefore, achieve an MVA of 60 per cent.

MVA measures uses performance adjusted for risk because most people agree that it is almost impossible for a manager to beat a benchmark consistently. So, comparisons with benchmarks, sucb as the FT-SE-A All-Share index, are powerful tests of performance.

MVA does have its drawbacks, though. Benchmark comparisons often can be flawed if they are distorted by "special" events: the effect of the Japan market's long crash on the Tokyo Stock Exchange indices is a case in point.

And, where large numbers of funds are involved, the MVA percentage score might have as much to do with a group's spread across a range of different investment strategies, and the likelihood of their outperformance at different stages of the economic cycle, as it does with managerial ability.

I have studied the MVA performances of 88 unit trust management groups; here are some of the results. The smaller table shows the overall MVA scores (without taking specialisation into account) of the 10 top-selling fund firms of last year.

Column two shows the percentage results. Column three shows the number of value-adding funds as a fraction of the total number of funds surveyed within that group. MVA comparisons should alwaya take these two columns together.

This is particularly important in assessing Fidelity and M&G: their large fund ranges make comparisons with narrower benchmarks a fairer test. Barclays Unicorn, Legal and General and Mercury also have wide ranges, but remain poor performers on either comparison.

The larger table allows for specialisation by breaking down the overall results for these groups into narrower investment categories.

My complete study (only part of wbich is discussed here) reveals that there are 14 groups with zero MVA and a further 27 tbat have added value on only one or two funds.

The study also reveals that the highest MVA scores are produced by small to medium sized firms such as Baillie Gifford, Capel-Cure, Dunedin, Perpetual, Schroder, St James and Stewart Ivory. All of these have cultivated independent, distinctive management and analytical cultures plus an ability to keep good managers.

The most important finding of all, however, is the revelation that there is absolutely no relationship between the value of a group's funds under management and its MVA performance. In other words, size and reputation alone are no guide to a firm's investment abilities.

Among the top 10 fund firms by size, for instance, there are only two firms that have MVA scores greater than the average. Indeed, Standard Life, until recently the largest manager of unit trusts, has an MVA score of zero.

■ *John Cuthbert is n freelance investment analyst.*

FINANCE AND THE FAMILY

Hot line to Opas

Calls to pension advisory service rise 20% in year

Occupational pension schemes got a bad name after the Maxwell affair but, giveo tbe excesses employed hy personal pension scheme salesmeo, tbe tables have turned.

The number of inquiries handled by the Occupational Pensions Advisory Service, the free state-assisted scheme to help people resolve their pension problems, rose last year to 30,700 – a 20 per cent rise over 1992.

Chief executive Don Hall stressed, however, that more than 28,000 of these were minor enquiries dealt with by a simple explanation. Difficult cases needing detailed examinatioo actually fell by 4 per cent to 2,397 – a tiny fraction of the 20m or so occupational pension scheme members.

The most common prohlem areas were unclear membership conditions, early-leaver benefits, early retirement and scheme wind-ups. In many cases, the problem was caused by complicated language which confused members.

Transfers remained the largest single source of complaint. In ooe case, an employee who was made redundant asked for details of his pension's transfer value. After a delay, his company said it would be worth £48,000.

There was aoother delay when the employee asked for it to be transferred. He then argued he had incurred investmeot loss. After Opas intervened, the company agreed it had been at fault and increased the transfer value to £52,000.

Another major problem area is insured schemes – those administered by an insurance company – which tend to be the preserve of small companies.

Brian MacMahon, the Opas president, said proposals that smaller compaoy schemes should be regulated less rigorously than larger ones "does not, in (our) experience, make sense when so many of them are apparently badly run".

Opas can also take enquiries about personal pensions as long as these are not connected with their marketing or sale. And it produces free leaflets designed to answer common problems.

Scheherazade Daneshkhu

■ *Opas, 11 Belgrave Road, London SW1V 1RB. Tel: 071-233 8080.*

Annuities

People aboot to retire often face having to decide whether to take an escalating annuity, which has a lower initial income, or accept the higher initial pension offered hy a level annuity, *writes Peter Quinton of the Annuity Bureau.*

To avoid unfair advantage to either, life companies structure level and escalating annuities to pay ont the same amount in total gross income shonld both run for their expected durations.

Based on a life expectancy of another 13 years, a man of 65 who opts for a 5 per cent escalation rate will receive abont 35 per cent less income in the first year than if he had bought a level annuity. This can be seen by comparing the annuity tables this week and last in the *Weekend FT*. When he reaches 73, he will be getting more from the escalating annuity than the level annuity. By the time he is 79, be will bave received the same gross income under both.

Naturally, those who buy an escalatiog annuity and then live beyond their normal life expectancy will be mncb better off than their level counterparts. For every year lived after this time, the gap between tbe total income offered by tbe two annnity types will continue to increase. A joint life escalating annuity will – even after the buyer's death – effectively secure a spouse's iocome until he or she also dies.

■ Top annuity rates

An annuity provides a guaranteed income for life in return for a lump sum investment. The bulk of the fund built up by many types of pension plan must be used in this way. *This week's table shows compulsory purchase annuity rates. These are used for small* company schemes as well as additional voluntary contribution (AVC) and free-standing AVC (FSAVC) plans, among others. This week's rates include inflation-proofing.

Escalating at 5% pa		Escalating at 5% pa	
Male age 55	**Annuity (-0.4%)***	**Female age 50**	**Annuity (-3.2%)***
RNPFN	£6,591.98	Prudential	£5,302.56
Generali	£6,529.10	RNPFN	£5,263.44
Equitable Life	£6,489.00	Generali	£5,166.83
Escalating at 5% pa		**Escalating at 5% pa**	
Male age 60	**Annuity (+0.6%)***	**Female age 60**	**Annuity (-1.1%)***
RNPFN	£7,663.44	RNPFN	£6,643.20
Generali	£7,456.36	Prudential	£6,389.40
Equitable Life	£7,425.00	Generali	£6,325.38
Escalating at 3% pa		**Escalating at 3% pa**	
Male age 70	**Annuity (+2.9%)***	**Female age 70**	**Annuity (+1.6%)***
RNPFN	£12,691.92	RNPFN	£10,707.84
Canada Life	£11,865.36	Canada Life	£9,992.64
Equitable Life	£11,817.96	Equitable Life	£9,936.96
JOINT LIFE - 100% SPOUSE'S BENEFIT			
Escalating at 5% pa		**Escalating at 5% pa**	
Male age 60		**Male age 65**	
Female age 57	**Annuity (-3.0%)***	**Female age 63**	**Annuity (-2.0%)***
Prudential	£5,571.36	RNPFN	£6,435.48
RNPFN	£5,562.96	Prudential	£6,260.04
Generali	£5,461.81	Generali	£6,177.92

*Month's movement

Payments are monthly in arrears, without a guarantee period. Rates are at October 25 1994. Figures assume an annuity purchase price of £100,000 and are shown gross. RNPFN annuities are available only to nurses and allied workers.

Source: Annuity Bureau 071-620 4090

Names get a boost

Lloyd's Names do not need reminding about the perils of trading on the basis of unlimited liability. This week, Citibank uoveiled an innovative – but inevitably complex – scheme that could offer existing members of the insurance market a way of switchiog tu limited liability for future trading.

The scheme, drawn up in conjunction with agents representing Names' interests, could prove attractive. And while it would be impossible to buy complete protectiou for liabilities arising on policies underwritten in the past, Citibank's plan would, in effect, "re-insure" those liabilities into an individual company for each Name – a NameCo.

At the same time, it would use a separate re-insurance deal to provide extra funds at Lloyd's. This means that altbough companies are allowed generally to underwrite policies worth twice the value of the funds they hold at Lloyd's, the gearing of some NameCos could be boosted to 3:1.

Tax and other details have still to be thrashed out but the scheme has a good chance of being approved by Lloyd's authorities, which appear to regard the switch away from unlimited liability as inevitable aod almost certainly a good thing. Patrick Hanratty, a vice-president of Citibank, says setting-up and running costs shuuld not be "onerous".

Whether tbe scheme can offer real protection against losses incurred on past policies will depend on the extent to which Lloyd's succeeds in subsuming pre-1986 liabilities into NewCo, the company it has set up for that purpose.

Meaowhile, the timing of Citibank's announcement means few Names are likely to be able to convert for the 1995 underwritiog year. The road to conversion is not going to be a high-speed freeway.

Ralph Atkins

FINANCE AND THE FAMILY

Standard's rise

Customers who cash in long-term life insurance and pension policies after just a few years are to be given higher surrender values by Standard Life, the UK's largest mutual life insurer, from next year.

The company believes that knowing they will get a better deal if they have to surrender will compensate customers for possibly having to accept a small reduction in what they get when a policy reaches its full term.

Standard can offer these improved surrender values because it plans to change how it pays commission to the agent or adviser selling the policy.

The company will finance the initial cost of paying commission – so the adviser still gets his money – and take the total out of premiums over the life of the policy instead of taking it all from the early premiums. It is also cutting its margins so, in some cases, the maturity value will not fall at all.

Surrender values across the life industry have come under heavy attack because many people have been giving up policies early. Standard's changes will coincide with the imminent new regulatory regime requiring life companies and advisers to set out the surrender values in the first five years of a policy, and to tell customers the commission paid to the sales agent.

For a 25-year personal pension policy, where the investor pays £100 a month and a 9 per cent annual rate of return is assumed, Standard's surrender value after four years – when an investor would have paid £4,800 in premiums – will rise to £4,918 from £4,290. The maturity value falls by £622 to £79,879.

In the case of an endowment, the improvements are even more marked.

At present, if a man of 29 took out a Standard Life unitised house purchase endowment for a £50,000 loan over 25 years, and cashed it in after four years, he would – assuming a 7.5 per cent annual rate of return – get back just £3,062. This is less than the £3,953.28 he would have paid in premiums.

Under the new system, though, he would get £3,967. And if he maintained the policy for its full term, he would get £53,882 – slightly more than at present.

Standard says only about 4 to 5 per cent of customers give up life policies in the first few years – and it hopes better surrender values will not cause this to rise.

Alison Smith

Picking the right pension

Personal plans should be a last resort, says ***Debbie Harrison***

The Securities and Investments Board (SIB), the finance industry's chief regulator, explained this week how employees with personal pensions would be compensated if their plan was sold on the basis of bad advice (see page III). But while it stressed there was nothing wroog intrinsically with personal pensions as a product, you should remember that these plans were introduced for the self-employed and for staff without access to a company scheme. They were never intended to replace company pension arrangements.

The following guide could help you choose the right pension for your circumstances.

Q: Should I leave my company scheme for a personal pension? No. If you are in, or have access to, a company scheme that links the value of the pension to your final salary, offers death-in-service benefits and disability pensions, then you should stay put. If the pension is not salary-linked, check exactly what you get for your contributions.

Q: What about senior executives? In certain cases, a senior executive who has built up a substantial fund could gain more flexibility over the pension income, and the investment of the fund in retirement, if he switches to a personal plan. But tbis is a complex area and professional, independent advice must be sought.

Q: I have changed jobs. Should I transfer my former company scheme benefits to a personal pension? Probably not. In most cases, your pension will he worth more if you leave it with your former employer. This is called a "deferred" pension because payment is deferred or postponed until you retire. Remember that any transfer costs money, except where employees change jobs within the public sector.

If, for some reason, it is necessary to take your pension out of the old scheme, then consider transferring it to your new employer's scheme if you can. A personal plan should be regarded as a last resort.

By law, advisers and salesmen must compare all these options before making a recommendation.

Q: I have been made redundant. Do I need to transfer my pension? No. Do nothing in the sbort term unless you are forced to act – for example, where the employer is insolvent. Even then, it could take time for the trustees or liquidators to establish the value of your pension. Where the employer still exists, the newly-redundant should leave their pensions in the old scheme at least until all the options are known. Your next employer might offer an excellent pension and it could be best to transfer to this scheme.

Q: There is no company scheme so I want a personal pension. For future contributions, this might be the only option. But do seek independent advice, preferably on a fee basis, and do not transfer benefits from old schemes just for the sake of neatness.

Your adviser should explain the personal pension provider's charges and the amount of commission, if any, that he gets. He should also consider the financial strength of the provider and the performance and flexibility of the plan.

You should, for example, be able to reduce and stop contributions and/or retire early without penalty.

Q. There is a company scheme but I may change jobs after a few years. Some careers lead to frequent job changes and periods of self-employment, so it is important to ask the pension manager or trade union what will happen to your company pension if you leave.

Provided you expect to stay for more than two years, the company scheme is likely to be best, particularly if lt offers good family protectioo benefits if you die. If you do want a personal plan to take with you from job to job, choose with care and make sure the plan is genuinely portable (see above).

Q. What if I want to retire early or my employer has a habit of enforcing early retirement? You should still join the company scheme. If you face early retirement, you sbould top up your pension by paying additional voluntary contributions (AVCs), provided by the company scheme, or take out a free-standing AVC (FSAVC) plan sold by life offices and a few unit trust groups. Company AVCs offer better value because the employer bears all or most of tbe charges, but FSAVCs can offer a wider investment choice. If you are interested in FSAVCs, seek independent advice.

■ Where to get advice. If you are not sure what benefits are provided in your company scbeme, contact the pensions manager or your trade union.

SIB publishes two fact sheets on opting out and transferring benefits out of an employer's scheme. Send a large SAE marked "Fact sheet" to the Securities and Investments Board, Gavrelle House, 2-14 Bunhill Row, London EC1Y 8RA.

Wedding doubt

Q&A BRIEFCASE

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

My danghter has a certain amount of personal equity and is abont to marry a person with few resources. How can she can arrange her finances so that, if her marriage fails, she does not lose capital in any settlement?

■ Your daughter and her fiancé could enter a pre-nuptial contract providing that, if the marriage ends in divorce or separation, her capital would not be able to be shared. Such contracts are oot strictly legally enforceable, but any court would take its contents into account.

There is, also, the possibility of effecting a settlement by which your daughter would transfer property from her ownership to those of trustees, although this might well be impractical hecause of the expenses involved and the small amount of property.

At the end of tbe day, though, marriage has to be a matter of trust and, if there is the slightest doubt, the general advice would have to be – "don't!" *(Reply by Murray Johnstone Personal Asset Management).*

Shares can't go into a Pep

I am a 25 per cent taxpayer, and I hold a modest portfolio of blue-chip shares. Can I transfer £12,000 of these into a personal equity plan?

■ Apart from new issues, it is not possible to transfer stock into a Pep. You would, therefore, have to sell £12,000 worth of shares and re-invest the proceeds for yourself and your wife. *(Murray Johnstone).*

Cutting the corners

I know shade-giving higb bushes and trees – like boundary hedges – are a common problem between neighbours. Would it be feasible to pay a neigbbour to restrict tbe height or density of a bedge to some agreed level, and to get that agreement to be hinding on subsequent owners?

■ It would certainly be possible to execute a restrictive covenant preveoting boundary hedges or trees being allowed to grow beyond a certain height. In order to be binding, the covenant should be registered at the Land Registry as a burden on the property on which the trees go and, if possible, as a benefit on the neighbouring property. We suggest you contact a local solicitor. *(Murray Johnstone).*

PERSPECTIVES

Sales drive: Les Barnes, joint owner of Limco, with two of the company's imported stretched limousines

Brendan Corr

Minding Your Own Business

The pull of star vehicles

***Tim Minogue** meets an entrepreneur who saw a niche for big cars*

Once, stretch limousines, the unfeasibly long Cadillacs which are the transportation of choice for film stars, supermodels and movie gangsters, were rarely seen outside Manhattan and Los Angeles. Now they are an increasingly common sight in London, in part because of the success of Limco, a limousine-hire business based in Cheshunt, Hertfordshire.

The idea that Britons might take to being chauffeured in 30ft, three-ton monsters with shag-pile carpeting, white leather upholstery, smoked glass windows, bar, refrigerator, TV, telephone and video came to Les Barnes, managing director of Limco, four years ago during a visit to New York.

Barnes, 45, and Chris Thorn, 48, had been partners since 1978 in a much less glamorous enterprise, Cheshunt Contractors Plant, engaged in groundworks on building sites – excavation, drain laying and the like. But by the end of the 1980s, with the construction industry in recession, business was deteriorating.

"We were suffering very badly, with no prospect of improvement," says Barnes. "We had to look for something completely different. I had seen the chauffeured limos in New York and thought 'if it can work there, it can work here'."

Having decided to get out of building, Barnes and Thorn could not sell their 17 heavy earth-moving machines, worth £150,000 on paper, and had to scrap the lot for just £2,000. The building boom of the 1980s had been kind to them while it lasted, however. They both owned large homes which they were able to remortgage, raising £80,000 from Barclays Bank towards the cost of two stretched Cadillacs which were shipped from the US in 1991.

Barnes believed that the limousines, with their huge seating capacity (the smallest seats eight) would appeal to "customers who wanted something special, unlike any other limo". These days celebrities attending London film premieres often hire a stretch from Limco rather than a conventional limousine such as a Daimler – what Barnes calls "Co-op funeral cars".

Famous names driven by Limco have included Liz Taylor, Sylvester Stallone, David Bowie and Muhammad Ali. The footballer Paul Gascoigne, a Hertfordshire resident, uses Limco much as others would a local minicab service.

What surprised Barnes was the enthusiasm with which non-celebrity customers embraced the concept of big nights out in magnificently vulgar style. Twenty per cent of Limco's business is corporate, but the rest is private hire, mostly "ordinary people out for a good time": birthdays, anniversaries, hen and stag nights, at £30 an hour (minimum four hours) plus VAT.

Barnes says: "We're selling the image of the glamorous, showbizzy lifestyle, if only for an evening."

Limco's fleet consists of four Cadillacs and four Lincolns. Barnes says demand justifies adding another five cars next year, including a 33ft "super-stretch". Expansion, however, has been curbed by the reluctance of finance houses to supply credit for the purchase of such exotic beasts.

Barnes says: "We have had to buy all our cars so far, except for the first three, with money up front, despite having a perfect credit rating. As soon as you mention American vehicles, lenders run a mile."

Valuation data is hard to come by on such cars, and lenders assume – wrongly, says Barnes – that they have little resale value in the UK. Limco is negotiating with Ford Credit, about borrowing up to £250,000 of the £400,000 cost of the new vehicles.

Barnes concedes that finance companies may fear that the stretch limousine craze is mere flashiness in the pan. "We have grown very quickly and lenders are wary of firms with rapid growth. They think the bubble will burst."

Profits are nudging £100,000 per annum on a turnover of around £320,000, up from a profit of £2,000 on a £74,000 turnover in the first year.

"We based our unit costs on the expectation that each car would be on the road for 20 to 25 hours a week," says Barnes. "In fact, demand has been much greater than we imagined. The cars average 40 hours each. That level of usage drives the unit costs down and the profits up. At the moment we are turning down about 40 or 50 hours worth of bookings every week, because we haven't got the cars."

Barnes says: "We're giving people a taste of how the other half lives. When you hire one of these, it's a party from the moment you get in."

He says "anything goes" in the back of his cars, although women on hen party outings are not encouraged to climb through the sunroof and bare their breasts, as has happened on more than one occasion.

■ *Limco, 6 Broom Close, Cheshunt, EN7 6DD. Tel: 0992-626118.*

Computing

Fast way to explore your files

***David Carter** reviews Magellan*

Once in a while I come across a software package and think: "This package is terrific. Why isn't everyone talking about it?" That's my feeling about *Magellan*.

Magellan is a "file management" package from Lotus, producer of the *1-2-3* spreadsheet. It runs under DOS or Windows; price £115. *Magellan* will benefit anyone who has a large number of files on their hard disk and needs to keep track of them and keep them organised. I use *Magellan* constantly.

The problem for anyone who does a lot of word processing or spreadsheet work is that over time they build up a large number of files – letters, reports, worksheets, etc – on their hard disk. Such documents are saved under cryptic DOS filenames such as "JfM.DOC" or "TAXMAN.WPS".

This is no problem at first, but as time goes on you run out of meaningful filenames to remind you what the document is about. Consequently, a year or two down the line your hard disk becomes cluttered up with lots of redundant files which really ought to be cleared off and the space made reusable, but you cannot remember what they were about so it is not safe to delete them.

When this happens you need to be able to go past the name of the file and take a look at what is inside. Enter *Magellan*. Its "viewer" facility allows you to go into any document and display the contents on the screen.

Unlike the more technically oriented file management packages such as *Norton Utilities* or *PC Tools*, *Magellan* is designed for the ordinary user who has masses of information locked away in files on his or her disk and wants to navigate around and "explore" them as easily as possible. Hence its name.

Magellan splits the screen into two. On the left are listed the directories on your disk. One of them will be highlighted. In the right hand part of the screen *Magellan* displays the contents of the highlighted directory.

As you work your way down the list, *Magellan* displays the contents of each file being highlighted. It is as if you were in the index at the back of a book. On the left page your thumb is on the first entry of the index. As you move your thumb down each entry in the left page of the index, complete pictures of the pages being referred to are displayed simultaneously on the right page.

Simply by using the four arrow keys on your keyboard, you can find and display any document on your hard disk within seconds. And the more files and directories there are, the better it gets. On a network, for example, *Magellan* gives you a list of all the local drives, and with just a few keystrokes you can see into any file on any machine. This is *the* definitive way to find your way around hundreds or thousands of data files.

Magellan also contains many more useful features. Copying and moving files is far easier and safer than under DOS, for example.

When you are installing *Magellan*, it will ask you if you want to create an index on your files. The program may take an hour to create the index, but it will enable you to make lightning-fast searches of your disk.

I recently wanted to find a letter written a couple of years earlier. I could not remember the name of the person I had written to, nor the company. However, I knew they were based in Edinburgh. I chose F9 to explore, pressed right arrow twice, typed in "EDINBURGH" and pressed enter. Within 10 seconds *Magellan* had searched through 1,600 files taking up 30 megabytes of data and come up with a list of all the documents containing the word "Edinburgh".

Complex searches are similarly quick. People pay thousands of pounds for specialist text retrieval packages to do this sort of thing: with *Magellan* it is thrown in for nothing.

As hard disks grow bigger and bigger, it becomes more and more important to have help navigating around them. *Magellan* is the answer. In particular, for anyone whose computer is several years old with a hard disk that has become cluttered up with half-forgotten documents which need to be cleared off, it is indispensable.

The Nature of Things/**Clive Cookson**

Writing with atoms

A new generation of microscopes, more powerful than scientists would have believed possible before the 1980s, is enabling researchers not only to "see" individual atoms but also to pick them up and move them around.

These microscopes will be vital instruments for the coming era of "nanotechnology", in which miniaturisation will produce atomic-scale structures thousands of times smaller than those used in microelectronics today. On that scale, all the words in the Bible could be written on the point of a pin.

(A brief explanation of the terminology used in nanotechnology: the word comes from the Greek *nanos* for dwarf. The fundamental unit of the field is the nanometre, one billionth of a metre.)

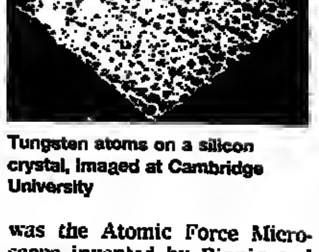
The first of the new instruments, the Scanning Tunnelling Microscope, was invented in 1981 by Gerd Binnig and Heinrich Rohrer at the Swiss laboratories of IBM, the American computer group. The STM was a wonderful leap of scientific imagination, recognised unusually promptly with a Nobel Prize for Physics in 1986.

Conventional microscopes work by focusing beams of radiation or particles. Optical instruments are limited by the wavelength of visible light, which is about 500nm; even a perfect lens cannot focus on a point smaller than this, so they cannot see atoms. To achieve greater resolving power, microscopists moved to electron beams and X-rays, which have much shorter wavelengths, but they use penetrating high-energy radiation which is unsuitable for imaging atoms on surfaces.

Binnig and Rohrer decided to use "electron tunnelling", one of the slightly bizarre consequences of quantum theory. When a low voltage is applied to two conducting materials which are extremely close together but not touching, electrons "tunnel" through the gap; the resulting electric current is highly sensitive to the distance between them.

The instrument built by the IBM researchers had a stylus with the sharpest possible tip – a single atom – which scanned a metal surface. The variations in tunnelling current revealed the ups and downs of the atoms on the surface.

The STM could only give images of materials that conduct electricity. The next step was the Atomic Force Microscope invented by Binnig and colleagues in 1985 to look at non-conducting materials. The AFM scans a tip attached to a thin metal cantilever across the sample, and gives an image based simply on the repulsive forces between the atoms at the end of the tip and those on the sample's surface.



Tungsten atoms on a silicon crystal, imaged at Cambridge University

More recently, the STM and AFM have spawned a variety of other instruments, known generically as Scanning Probe Microscopes, which produce atomic images based on thermal, magnetic, optical and other interactions between the tip and sample. By speeding up the scanning rate, scientists have even made "atomic movies", showing how atoms move around on heated surfaces.

An estimated 3,000 SPMs are now operating worldwide, for a vast range of applications, and the number is increasing. Most are used for research into surfaces, helping scientists understand processes such as corrosion. They are also moving on to production lines in the electronics industry, inspecting semiconductors and other materials for surface quality.

In biology, SPMs have imaged the double helix of the genetic material DNA and distinguished the chemical "letters" which hold our genetic code. If the technique can be speeded sufficiently, it may be possible to read genes by microscope, instead of using chemical-based analysis.

But much of the excitement about SPMs concerns their potential for manipulating atoms. Researchers at IBM's Almaden laboratories in California showed the way in 1990 when pushed atoms of xenon across a nickel surface with an STM tip, one by one, and arranged them to spell the company's initials in atomic letters 5nm high.

Such demonstrations show that, in principle, data could be stored in ultra-compact "atom-scale memories".

Decades of work will be required to bring atom-scale devices based on SPMs to practical fruition. In particular, the speed with which atoms are moved and scanned will need to increase millions of times.

But it is far from certain that SPMs are the main route to an atom-scale future. Alternative methods of nano-construction are already further developed, such as laying down atoms by molecular beams in a vacuum. These are less sensitive than SPMs but far faster.

The future for the new generation of microscopes may lie more in observing nano-structures and assembling prototype devices than in mass production. However they have transformed the way scientists see the world in miniature.

Barbie – the virgin queen of a plastic paradise

The world's most famous doll is 35 but never ages. ***Lynn MacRitchie*** *looks back*

It has been quite a year for Barbie, the most popular doll in history. Born on March 9 1959, her 35th birthday has been celebrated all over the world; Columbia Studios is bidding for the rights to make her a film star; and Sheik Khaled Al Madkour, president of a committee in Kuwait City which advises the government oo religious issues, has declared that to huy her is forbidden by Islam.

There is oo such veto in Monte Carlo where the *National Museum* is hosting an exhibition in her honour. It is drawn from the collection of one person: Jean-Pierre Icardo, an office worker from Nice who has "between 700 and 800" Barbie dolls. Now 40, he first saw Barbie in 1964, the year she was introduced to France. He has been her faithful admirer ever since.

As a child, Icardo was enchanted by all forms of dacoration and wanted to work in the theatre or cinema. As he grew up, he made his own theatrical tableaux at home and put on eotertainments for his friends, using dolls as actors. But traditional dolls were stiff and it was not possihle to dress or pose them satisfactorily. Barhie, with her long legs, slim body and beautiful outfits, was the perfect solution. "I fell in love," be says, simply.

After attending Nice University, he took an office job and continued to weave his theatrical dreams at home, always with Barbie as his star. His collection grew slowly: the dolls were expensive and his mother saved up to buy them for him as birthday and Christmas gifts. "I believed I was unique," be says. "I had no idea there were other grown-ups who were collecting."

In March 1984, though, a convention of doll and automata collectors was held in Monaco. Icardo and his mother went along and were astonished to find all the paraphernalia of an established Barbie collectors' market, including hooks witb descriptions of the dolls and how to recognise their ages and dates. In fact, adult collecting of Barhie began in the US in the 1970s and the first Barbie encyclopaedia was written in 1975. Now, there are Barbie conventions every year.

Collectors often specialise, some buying only Barbie and shunning her family and friends, some buying only Barbies from the 1960s, now the most expensive period. Icardo tries to collect everything from 1964 onwards, conceding that his collectioo grows "only very slowly – the world of Barbie is so buge".

Mattel, the company that created Barbie, makes limited editions especially for the collectors' market. Unique examples of older or special dolls, such as the very early versions made in ivory white plastic, oow change hands for up to $4,000.

Icardo's devotion extends to Barhie's friends and relations. This year, he told me, is also the 30th anniversary of her sister Skipper. Her best friend, Midge, will have her 30th anniversary next year. Ken, Barbie's faithful consort, was born in 1961. "But sha will never marry Ken," Icardo insists. "She must stay the young teenager for ever."

When first launched, Barbie was not popular witb parents who, rather like Sheikh Khaled, thought her "too sexy". Her popularity with young girls was instant, however, and there are thought to be 700m of her worldwide. Today, Barbie and Ken lead a hectic life as tbeir clothes, make-up and hair styles change constantly with the times: last year alone, Barbie had 100 outfits from which to choose.

While Barbie's unique proportions have oever changed, Ken has been altered several times. His earliest skinny body has been made bigger and his fragile flock velvet hair (now much prized if found in pristine condition) replaced with more practical paint or, for special occasions, wigs.

Their world, too, has expanded from homely junior proms and fraternity meetings to a frantic round of globe-trotting and activities that include every kind of sport, making television programmes and even ballet dancing.

Barbie's circle of friends reflects a changing America. Her first black friend, a girl doll dating from the mid-1960s, was followed hy the grown-up Brad in 1970 and Cara and Curtis in 1975. The first Hispanic and Asiatic friends appeared in the 1980s and an American Indian was added to the circle recently.

Tha all-American girl has only recently been made at bome, though. Originally manufactured in Japan from 1959, Barbie's production cycle has followed the global trail of multi-national investment and new sources of cheap labour. She is now made at 15 locations in seven countries: Mexico, China, Malaysia, Indonesia, UK and Italy, as well as the US.

Some Barbles were produced hriefly under licence in various countries, so allowing regional differences to creep in; this resulted in her being more sun-tanned in Spain and smaller, with huge cartoon-style eyes, in Japan. But this has beeo stopped and uniformity reigns. Icardo considers this "very sad".

Barbie, of course, is not just a pretty face. When I expressed a certain envy of ber lifestyle, and pointed out that she never had to work for a living, Icardo was quick to disagree. "She always works," he said. "She has been a model and a singer. This year, she was a doctor. She and Ken have been in the army, taking part in Desert Storm; and in the 1960s, the great days of Nasa, sbe was an astronaut."

This year's Christmas model will talk and answer questions; one released earlier swims and dives. Truly, she is a superwoman "at the centre of her world", as Icardo puts it. Perhaps, though, it takes another woman to spot a few snags.

To me, it seems obvious that, as sbe approaches 40, Barbie faces the same prohlems as the women who have tried to emulate her – success, fame, and glamour do not necessarily bring fulfilment. And few of them have made her supreme sacrifice. For Barbie – astronaut, soldier, fashion icon – has never had sex. Forever dreaming of romantic weddings – dresses for which feature among her sister's outfits, if not her own – her relationship remains unconsummated.

Despite the sexual message of ber appearance – huge breasts, beavy make-up, ever more sophisticated clothes – Barble must remain untouched. She is an Eve who cannot fall, in a paradise filled not with flowers and fruit hut with products. The message sbe brings is to look, to dream – and then, to buy.

■ *La Poupee Barbie, Anniversaire ñ Monaco, continues nt the Musee Nntional de Monaco, 17, Avenue Princesse Grace, Monte Carlo, until September 30. Bnrbie can also be seen with 33 outfits specially made for her by top French couturiers at the Musee Grevin, Paris, until December 31.*

The magic of Barbie: enraptured girls pay homage at the Monte Carlo exhibition Christophe Dellera

Truth of the Matter/**Hugh Dickinson**

Only victims have the right to forgive

Years ago, the vicar of a London parish was beaten hy thugs in his own housa and his daughter attacked and raped before his eyes.

Shortly afterwards he appeared on TV and announced that he forgave his assailants. There was public admiration for such high-minded Christian charity.

But some of us felt uneasy. The cynic in us thinks it is just what be would have to say if be was going to keep any self-respect as a Christian minister.

But then I found myself pondering why it felt so different when a father who had seen his daughter blown to pieces by the IRA spoke so movingly about forgiveness and pleaded that there should be no revenge. Was it that one was a private tragedy, the otber a wound to a whole community?

These are tangled issues, but I have a gut feeling that we must explore them. Behiod them loom much deeper waters about the transactions communities and nations oeed to engage in if they are to steer a course out of vengeance into reconciliation.

In my trade we spend much time trying to help individuals and families find ways out of personal conflict. Is any of that experiance transferahle into the arena of international affairs? There, I suspect, we are all out of our depth. But for what they are worth there may be some pointers.

For one thing, I cannot forgive an assailant if he is not around to be forgiven and if he has not asked for forgiveness and given some signs of genuine contrition.

Time has to pass. The rage and anger has to be processed somewhere and somehow or it will seep out in displaced responses to other people and other situations.

And the daughter? I cannot forgive her assailant. Only the victim can forgive. No one else is entitled to. Only after she has reached tha point where she can stretch out a hand am I entitled to do the same.

I may want to persuade her to, for, gross as the injury has been, part of her own healing process must lia in letting the poison go. By nursing our wounds we may turn our backs on healing them. The future is more important than the past.

If forgiveness at the personal level is more complex and intractable than a glib Christian precept sometimes makes it seem, forgiveness at the community or national level is far more perplexing. Yet if nations and communities are not to live embattled in age-old feuds and poisoned by past traumas we have to find some way of enabling a process akin to forgiveness to be transacted.

But bow? How does a nation forgive? There can be no forgiveness without repentance. How does a nation repent?

The first step must be to tell and acknowledge the truth, not just the facts about the trauma and loss which have been inflicted, but a truthful recognition of the feelings of horror and grief and pain.

Peoples who have suffered must feel that their pain has been felt and responsibility for it accepted hy the other side. There must be no excuses, no explanations, no glib political prevarications.

Not for the first time the eyes of nations are fixed once again on South Africa. Since the 1950s South Africa was the international paradigm of gross oppression, destroying its own black citizens by the thousand.

A picture of forgiveness: Nelson Mandela and F.W. de Klerk

Now, South Africa is groping its way towards reconciliation and forgiveness.

How far this is the direct influence of meo such as Trevor Huddleston and Desmond Tutu and how far it is due to a natural generosity in the African character we shall never know. But some of it is due to the acceptanc hy the ANC and the nationalists that there is no other way out of the impending bloodhath. They recognise that the future is more important than the past.

They know their fetes are bound together. And they are pragmatists not ideologues. Ideology is the death of peace.

In Nelson Mandela they have a statesman of global stature with a clear understanding of what must be dooe to achieve reconciliation. No concealment of past etrocities; the terrible truth must he told. An amnesty, perhaps, for all hut the most wicked, conditional maybe on admission of guilt and reparations. Of course no reparation can bring back the dead or remake shattered lives, but, even if inadequate, it can still be a token of a change of heart to which a generous response may be made.

Generosity is of the essence. Mandela himself has been a victim, a man brougbt hack from the brink of execution, his best years destroyed. He has the right to choose to forgive and to provide a paradigm for his people to lead them away from the abyss. "In victory, magnanimity."

Such a stance requires considerable political courage.

Chancellor Helmut Kohl of Germany is one of the few western leaders to have had the courage to ask for forgiveness for his people. But it would not have been realistic if there had not been a groundswell of public opinion which felt guilt and shame for the years of the Third Reich.

The next question is more difficult. When and how do we forgive? When do the Jews forgive? When do the Unionists forgive? When do the Irish forgive the British? When do the Bosnians, Serbs and Croats forgive?

Nations and communities are not good at repenting – yet if wa do not find a wey to repentance, forgiveness and reconciliation, our ancient and more recent wounds will remain running sores and our children's children will be caught np in these vicious cycles of unforgiving violence and revenge which threaten to overwhelm us all.

A nation with no history is like a man who has lost his memory; our national identity is forged in the telling of our history. But, if the core of our national consciousness is welded only from an obsessive picking over the fragments of past injustices and trauma, or from the mythic triumph of battles long ago, the past holds us in fetters.

We cannot reach out to make a new and peaceful future for our children to live in as long as we are constantly showing repeats of films about past wars. The images of war offer no solutions except more violence to the problems of traumetised and bostile peoples.

How can we go about it?

The terrible truths must be exposed. Reparations must be agreed. But then statesmen must speak for nations words which nations cannot speak. Stories must be told. Journalists and editors must take risks with their congenital cynicism to say tbe unsayahle. Tbe media have a huge responsibility for shifting pnblic attitudes. Images of generosity must be sought and beld up to the public gaze.

Ooe sucb I beard from Archhishop Trevor Huddleston.

With his permission I tell it here.

Tha archhishop was an honoured guest at Mandela's inauguration. He was lodged in a guarded hotel with other heads of state, for be, like Mandela, is at constant risk of assassination. He rose early one morning and went out to say mass on the arm of his minder for be is now physically frail.

From his room he had to walk along a passageway at the end of which was an armed guard. As they approached him the man stepped forward and saluted. He asked if he could touch the archbishop's arm. From his accent it was clear that he was an Afrikaner. In his guttural English, he said quietly: "I am so sorry. I am so sorry for what we have done to your people. I am so sorry."

The archhisbop beld his hand, and replied: "But now we are all one people; hlack and white and coloured and English and Afrikaner. We are all equal citizens of the new South Africa. Our future is together."

"Ach no," said tbe soldier. "You do not understand. I have done terrible things. Terrihle, truly terrible. But I heard your voice on the radio and my heart changed." Then, hesitantly, as if he expected the request to be refused: "Father, will you bless me?" So he knelt and the oew South Africa forgave the old.

■ *Hugh Dickinson is Dean of Salisbury.*

A better class of sleaze

Continued from page I

study of British sleaze over the past century. First, all political parties have been involved – either (as in the sale of honours) through a process of tacit agreement in shady but not illegal practice, or (as in Poulson) through straightforward misuse of office.

Secondly, sleaze bas not been limited to parties – witness the trail of police corruption and the doings of quangos.

Thirdly, sleaze has resulted at least in part from an absence of definite standards of public conduct. A recent survey of British MPs by Maureen Mancuso shows that many have no idea where to look for guidance.

Mancuso asked 100 MPs for their views on, for instance, claiming first-class but travelling economy and pocketing the difference, or getting parliamentary passes for assistants who were paid by lobbyists. Sha found "a multiplicity of competing ethical standards" with no consensus. She divided the MPs into groups which straddled parties: "puritans", "muddlers" and "entrepreneurs". A third of the MPs were "entrepreneurs", willing to condone "almost any activity as long as it does not contravene a written statute or formal rule".

In ooe respect, Britain's international reputation for non-corruption is deserved: its elections are cheap, and the pressure on parties and candidates to raise large sums is correspondingly low. The credit belongs to Gladstone and a decision taken at the launch of the BBC. The limits imposed by Gladstone in 1883 on local electoral spending have remained in force, whila the ban on television advertising by parties removed one of tha main objects of party spending in other democracies.

Constituency spending allowed per candidate in a UK genaral election is barely £6,000. Little more than £20m was spent by the main parties combined at national level in the 1992 election. In the US, more than $750m is likely to be spent by candidates in the current congressional elections. More than $400m was spent by the three candidates in the 1992 presidential election.

In spite of what Dr Tim Hames of Nuffield College, Oxford, calls "an orgy of self-deparkiog" in response to recent scandals, the pressure on US congressmen to raise money from corporate interests for elections is all-consuming. Or it is for those who are not super-rich. Two-thirds of senators are dollar millionaires. Ross Perot spent $65m of his own money in 1992.

Nonetheless, Britain boasts a notable sleaze tradition of its own. The first words of Lord Nolan after his appointment this week to chair Major's commission on standards in public life might have caused Gregory and Poulson to smile: "As the prime minister said, this country has the highest standards of integrity in public life: it is of the greatest importance that those standards be maintained."

Adrift in bliss between sea, sky and land

Nicholas Woodsworth goes kayaking off the coast of Maine

Among Yankee New Englanders, a tribe generally known for its taciturnity, the people of Maine are supposed to be the most teciturn of all. Bemused contemplation of "outta-state folks" is said to be their pleasure, the monosyllabic response their forte – "Nope ...", or "Yup ..." are supposed to be just about all a Down-easter feels inclined to say at any one time. But it was not that way at the Bailey Island General Store when I walked in one afternoon.

Bailey Island sits at the end of a narrow finger of land – one of several collectively known as The Harpswells – that stick far out into Casco Bay north of Portland. It is hardly a major attraction. It has none of the summer mass tourism of Old Orchard Beach further down the coast, none of the moneyed, old-family cachet of Bar Harbour further up the coast. It is a hardy rural community, spread out along a treed and rocky coastline, thet lives primarily by lobstering. Endless backwoods colloquy, however, appears to come a close second.

I sat at the counter in the general store long after the blueberry muffins and coffee I had ordered were finished. It was not the community noticeboard (Ed's Trucking – you call, we haul) that kept me lingering. Nelther was it the pot-bellied wood stove, extinguished since last winter, nor the rack where general store habitués kept their own name-labeled coffee mugs.

It was the habitués themselves, a clutch of flannel-shirted, baseball-hatted duffers gathered in favourite chairs at the end of the counter. I had never heard crustier, longer-winded griping in my life.

Nothing was right with the world. The lobster season had gone all to hell, volunteered one coffee drinker. This was worth an emotional 20 minutes moaning. Hunting was not what it used to be, someone else threw in, and that was good for a 10-minute whinge. Something had got into the pumpkins this year, cackled a third, and they all got going on the woeful state of vegetable gardening. The local economy drew no less cynical a reaction: "Well of course they can *say* the recession is over. Your cat can have kittens in the oven and you can *say* they're biscuits, but it don't necessarily make 'em so."

On and on it went. The baseball strike, the weather, the price of plywood, those damn-fool environmentalists from Washington. Life in Maine of late, it was roundly concluded with a Great Nortb Woods flourish, was hardly worth a raccoon dropping.

I was about to step out convinced there was nothing at all that Mainers could discuss happily, when eomeone brought up the subject of a recent canoe trip he had taken. Almost instantly the atmosphere changed – there were smiles, good natured anecdotes, discussions of the best routes, the best techniques, the best camping sites. Suddenly happy days had returned. I left feeling intrigued: if canoeing in Maine was something that could make this crowd happy, then it was something worth investigating.

Not five minutes away, at the foot of the stone bridge leading on to Bailey Island, I was brought to a halt. Sitting on a wharf overlooking the wind-ruffled water of Harpswell Sound were a rack of brightly-coloured, strange looking craft. They seemed an odd mix between canoe and whitewater kayak. Where a canoe is high and open they were low and decked; where a kayak is short and stubby, they were long and narrow.

They were in fact, sea kayaks, one of the most elegant and graceful one-man ocean craft around. I fell for them instantly. This was better even than plain canoeing. In five minutes I had introduced myself to Jeff Cooper, owner of the kayaks and proprietor of H20 Outfitters. Not only did we agree to meet for a bite that evening, but also arranged a day of sea kayaking.

In *The Happy Isles of Oceana – Paddling the Pacific* Paul Theroux recounts an island-hopping trip he took from Australia across the Pacific to New Zealand, Tonga, Fiji, Samoa, Tahiti, the Marquesas Islands, Easter Island and Hawaii. Accompanying him were two large canvas sacks – the separate halves of the sea kayak he assembled wherever the whim took him. And it took him often: the trip was something of an escape from an unhappy part of his life, the paddling a sort of therapy.

There was nothing unhappy about Cooper – there is a constant twinkle of humour in his eye. Nor did he feel the need to escape quite as far as the south Pacific. But as he told me that evening over a swordfish and scallop dinner with his wife Cathy, Maine is his escape and sea kayaking his life. For beauty and enjoymant he is not even sure that he would trade the Pacific for the rock and pine-covered coast of northern New England.

After 11 years here, Cooper cannot imagine returning to urban Pennsylvania. "Old college friends sometimes call me up," he laughed. "They have MBAs, big businesses, big cars, big stress. I have some canoes and a big white Pyrenean dog. We are so different now it is hard to have a normal conversation. I teach sea kayaking. Cathy teaches canoeing and skiing for L.L. Bean's Discovery programme. It is not hard to fall for outdoors Maine; you'll see tomorrow."

I sat up that night on the porch of the ancient Driftwood Inn, a wonderfully unfashionable place of creaky floorboards and rusty bathtub water, imagining my own escape to a fishing community on the coast of Maine.

Below the inn, tha tide swirled and gurgled as it began its 12ft climb up the rough granite sides of Bailey Island. A night bird hooted from the spruce woods across a stretch of water. The moon rose. Miles out to sea, steaming south to Portland from Yarmouth, Nova Scotia, the ferry-boat *Bay of Fundy* slipped away in a dim twinkle of lights. It would certainly be a different way to look at life I thought as, bed-bound, I too slipped away.

Paddling to happiness: the taciturn Yankees of Maine moan about the fishing, the hunting, the crops, the government, the economy and the weather. Kayaking cheers them up

But the best way to look at life in this part of the world, I realised a few hours later, is from out at sea, in a low-riding, swell-hugging kayak.

With a small group I spent the morning in calm water near the wharf learning basic sea-kayaking techniques: the double-ended paddle, the knee-squeezing narrowness of the hull, the awkwardness of entry and exit, the closeness to the water surface – all took some getting used to. So, too, did the fluid, hip-swivelling paddling motion that Cooper made look so easy; on prolonged sea-kayaking trips it is this graceful movement that saves vital energy and wear and tear on arms.

By lunchtime though, with several capsizings behind us, we all felt confident enough to propel our craft under the stone bridge against a rising tide, through a set of narrows, and out into the open water.

It was a soft, hazy day, the kind on which the sun is barely discernible and the precise line between sea and sky disappears. There was no wind and the air was warm, but an occasional, inexpert dipping of my fingers below the water reminded me that this was no south sea – far from the Gulf Stream, Maine coastal waters remain cold all year.

Along the rocks, large herring gulls swooped in and out from stony perches over the water. Cormorants dived, disappeered, shot up unexpectedly and dived again. On the way out to Pond Island, running a course among a thousand bobbing lobster buoys, we were joined by a party of seals; curious enough to stop robbing bait from the lobster pots below, they followed us for a mile or so.

How much nicer to be out here looking in, I though as we paddled silently past the Driftwood Inn. Houses, forests, rocky promontories and deep coves came and went, all the more attractive for the broad seascape they sat behind. Closer in, I drifted to that restless place where water meets land, surging in among the swirling kelp, feeling the pull of the swell on the rocks. Exhilarated, I found myself gulping down great lungfuls of air and wishing it would never end.

Real sea-kayakers pack their craft with water, food and camping gear and disappear for days at a time. I had done just one circuit of one small island. But there is nothing, I decided, like seeing lifa from barnacle level.

Given the chance that afternoon of paddling a few more of the happy isles of Maine I could bave bad just ono answer. "Yup."

■ *There are n number of companies that will rent sea-kayaks along the Maine coast with few questions asked. Sea conditions often change rapidly, however, and extreme coution is required; novices are advised to take basic instruction. Jeff Cooper may be contacted at H20 Outfitters, PO Box 72, Orr's Island, Maine 04066. tel (207) 833 5257.*

■ *In Britain information on sea-kayaking clubs and courses may be obtained from British Canoe Union, John Dudderidge House, Adbolton Lane, West Bridgford, Nottingham NG2 5AS. tel 0602-821100.*

BOOKS

The mystery and the magician

Simon Callow finds that Alec Guinness continues to be an elusive subject

Alec Guinness is a maddening challenge for a biographer: private life impeccable and without incident; career one of absolutely solid achievement, the one or two failures subsumed in a steady march to glory; work exceptionally fine and universally admired.

The renowned mystery and secrecy of the man prove simply to be a refusal of the usual pact by which successful actors, in exchange for perpetual publicity, allow themselves to be reinvented by the media. In fact, Guinness, as countless people – as opposed to journalists? – have testified, is a delightful and amusing companion, deeply interested in the outside world while being inordinately fond of his home, lover of food and wine, relisher of literature and art and prone to intense enthusiasm for both things and people. A paragon, in fact. What's the catch, the biographer wants to know. What, he asks impatiently, makes the guy tick? "I was not aware," Guinness replied magisterially to an interviewer who asked the same question, "that I was ticking." He is, of course; very loudly indeed. There is a great deal going on inside, emotionally and intellectually. What exactly this might be is the question which Garry O'Connor addresses.

Mr O'Connor has a distinguished record as a biographer; his account of Ralph Richardson is nothing short of a masterpiece, the life itself interleaved with his extraordinary encounters with his subject.

In the case of Guinness, for better or for worse, he has not had the same advantages. He has accordingly made as much as he can of the existing record, above all, of course, Guinness's own masterly *Blessings in Disguise* (another curse to the biographer: the carpet pulled from underneath his feet).

The revelation that Guinness chose to make in that book of his illegitimacy and terrifying upbringing is the core of Mr O'Connor's meditation on his life and art. The quest for the father; the distrust of the mother. Mr O'Connor detects these everywhere and it is no surprise that he sees *Hamlet* as the correlative of Guinness's inner journey. There is obvious truth in this; but it cannot explain Guinness either as man or as actor.

ALEC GUINNESS, MASTER OF DISGUISE
by Garry O'Connor
Hodder £17.99, 316 pages

The essential fact about Guinness is that he transmuted his inner drama into acting, not in an autobiographical sense but by becoming a sort of ontological magician. He was able to release himself into character, or rather, perhaps, he was able to allow himself to be seduced by, to be taken over by, another self; and he did this above all by the power of thought.

It was no emotional abandonment, rather a consciously acquired ability to discharge the rage and feelings of impotence that *Blessing in Disguise* clearly tells us were the primary experiences of his young life. The need to control and release these emotions produced the powerful mental instrument that is central to Guinness's work.

There is a mystery here and it turns out to be the mystery of acting itself. Mr O'Connor is not good at analysing this because he is less interested in the physical performance than in what the performance portends. The alchemy is merely alluded to.

As for what goes on in Guinness's mind, O'Connor seems to view him as an intellectual; this, I submit, is not the case. He is a man of prodigious, almost frightening, mental force, but ideas, the medium of the intellectual, are not what he uses his mind on. He observes, he penetrates, sometimes he eviscerates.

He is a remarkable writer. I would suggest that he is that rare actor, one who has the temperament of a writer – and not necessarily a dramatist. His performances could almost be said to have the depth and complexity of fiction.

Perhaps this might explain a certain lack of linearity in his stage career, a quest for characters rather than roles. His has been a unique journey; Mr O'Connor charts it thoroughly and intelligently, in a series of short chapters and in elegant prose which cannot, however, conceal the fact that he raises questions which he is unable to answer. So the *Master of Disguise* of the title has eluded the detective yet again.

Virtual hippies

*It is not all a brave new world, says **Stephen Amidon***

The Utopian urge has been with us since Cro-Magnon man started bumping his head on the cave ceiling, so it is hardly surprising that some people maintain that quantum advances in information technology might give birth to a vastly better society.

The young American journalist Douglas Rushkoff is such a believer. His lively and informed book is an ode to computers and fibre optics, a glowing map of a brave new world called Cyberspace.

Rushkoff defines Cyberspace as a "consensual hallucination accessed through the computer" – hence, anything from two people speaking by satellite link, to a boy wandering deep in the latest virtual reality program.

CYBERIA: LIFE IN THE TRENCHES OF HYPERSPACE
by Douglas Rushkoff
Flamingo £6.99, 320pp

For Rushkoff, Cyberspace is a realm ripe with possibilities for new human organisation and development. It is a place potentially free of governmental oversight and personal neuroses, where human impulses can be infinitely perfected with the help of the microchip.

The author is at his most convincing while charting recent advances in hardware technology and showing how these have benefited the human imagination. For Rushkoff, the existence of a "datasphere", where a large number of people are plugged into one another's computers, provides an imaginative arena of unbridled possibility.

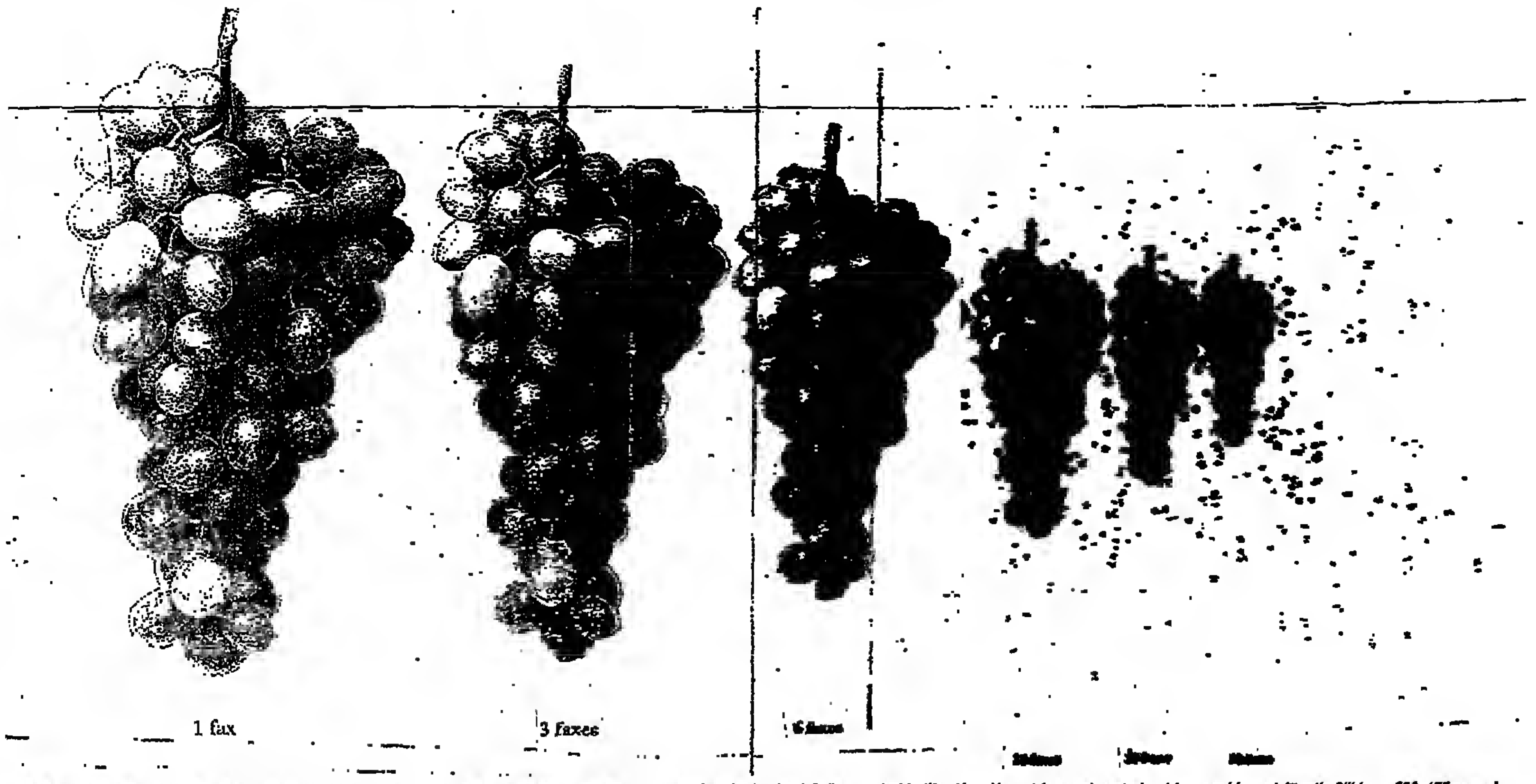
He posits a world where business meetings and classrooms no longer require physical proximity, where correspondence occurs without delay, where news can be transmitted without need for media conglomerates. Rushkoff breathlessly scans the future horizon, catching glimpses of scenarios such as cyber-sex between two people using Virtual Reality software and "wet", body-reactive hardware.

It is hard to argue that technology like Video Toasters, which allow us to "sample" television shows as disc jockeys now do records, and "wireheading", hardware that plugs directly into the human brain, promise a whole new way to work and play.

What Rushkoff seems to have less of a stomach for is the dark side of this world, the dystopia in which technology is used as a means of repression and conformity rather than liberation. Believing that "as computer-networking technology gets into the hands of more cyberians, historical power centers are challenged," he seems to forget that the reason so much power is centralised is that the people who wield it have a knack of staying one step ahead of the rest of us. Cyberia's relation to its Soviet namesake may be more meaningful than just a facile pun. That said, Rushkoff's examination of the technological aspects of Cyberspace remains essential for those interested in the subject.

Where the book proves far less effective is in its second part, which deals with the non-computing side of Cyberia. Smart drugs, house music and Cyberpunk fiction are all subsumed under a tatty umbrella of New Age thinking that would have us believe is in some way related to the information revolution.

Rushkoff's arguments are far from convincing – one need only listen to the monotonous drone of rave music or the cretinous babble of a "smart drug" saleswoman to understand that this is nothing more than warmed-over hippyism. Rushkoff's prose, so lucid in the early parts of the book, becomes unmoored and jargon-ridden as he takes us through the poorly-lit labyrinth of "neopaganism" and "technoshamanism". Where he started off largely convincing us that a brave new world was being born, we leave the book thinking that Cyberia is little more than an enclave for the sort of drop-outs who have always found their utopia in the same place – anywhere but here.



'The fax diminishes and degenerates transmitted information ... fruit emphasises the decaying process': artist Michael Callan quoted in 'Fax You: Urgent Images', a study of fax-machine art (Booth-Clibborn £36, 175 pages)

A good drinking companion

Asa Briggs raises a glass to an alphabetical, illustrated, treatise on wine

In editing this massive Oxford Companion to Wine, Jancis Robinson, Financial Times wine writer, has accomplished a unique double. She was the first person to present a television wine series. Now she is the first person to offer to a smaller but more knowledgeable public an impressive reference volume that treats wine as English literature, music, art, mind and medicine have already been treated. She calls the writing of it "the greatest challenge of my life".

There are more than 3,000 alphabetically-arranged entries, many of them illustrated, which cover an immense range of subjects, some of which could include cross references to other OUP *Companions*. There is an interesting entry, for example, on wine in English literature though none, surprisingly, on art or music. There is, too, one on "Health, Effects of Wine Consumption" with a reference in the reading list to Sir Richard Doll. There are many references to mind. Under Herodotus, for example, we learn that "far from regarding drunkenness as undesirable or immoderate behaviour, the Persians, if Herodotus is to be trusted, viewed it as an altered state of consciousness that is as valuable as sobriety". The very presence of Herodotus in the volume demonstrates that the ancient world is given due attention.

History, indeed, is well treated throughout. The 19th century is not neglected, and some of the interesting British writers on wine are included, like Alexander Henderson (a medical doctor) and Cyrus Redding, "England's answer to the great wine explorer of France, André Jullien". Both Redding and Jullien were travellers, and Redding, convinced that geography mattered more than history, discussed wines from all parts of the world. Geography and history have always travelled well together in studies of wine, both academic and popular, and more than one-third of this volume is devoted to specific wines and wine regions: there are 31 regional maps.

Some of them reveal the topical strains to which wine making is subject. The article called Yugoslavia incorporates a map called "former Yugoslavia". The article on Cyprus is as problem-laden as Cyprus itself. Azerbaijan and America have articles too. Apparently vineyards in Azerbaijan account for 7 per cent of cultivated land and grapes for 30 per cent to 40 per cent of agricultural output.

There are 12 articles on the former Soviet Republics (as revealing as the excellent articles on Argentina and Chile) and one on "Soviet sparkling wines", a specific term devised according to European Union law ("See European Union"). Gorbachev, who tried to cut alcohol consumption (there is no article on him or on Yeltsin) does not appear as a liberator in this context. He makes a dramatic entrance, for example, into the article on Bulgaria: "Gorbachev's arrival as Soviet premier had dire consequences for Bulgarian wine."

THE OXFORD COMPANION TO WINE
edited by Jancis Robinson
Oxford University Press £30, 1086 pages

Politics – and economics – are less fully handled than most other disciplines in the interdisciplinary mix, although there is an article (all too brief) on taxation and scholarly articles on investment in wine and on auctions. There might well have been an article on Gladstone, who cut taxes on French wines, and when we reach the 20th century there is too little on the retailing and pricing of wines and on the changing roles of stores, chains and supermarkets.

There is little, too, about competition from other alcoholic beverages not based on the grape or about soft drinks and mixers. Aperitifs have an entry, but there is no reference to cocktails, and while *aquardente* and *aquardiente* are mentioned and there are long articles on armagnac and cognac (the latter making one cross reference to vodka), there is no sign of calvados, whisky, beer or, for that matter, black velvet. A brief article on alcohol makes the point that "the alcohol content in a perfectly balanced wine should be unfathomable".

The articles on food and wine are sketchy, too, but the place of science both in viticulture and in vinification is handled in expert fashion, and the brief article on traditions ends with the comforting words that "traditions are likely to have evolved for a reason, often one that is eventually explained by science".

The article on "training systems" that follows almost immediately is concerned solely with vines, not people.

The first two entries in the volume are *obboccoto* and *obocado*, medium sweet, and we are directed to the article on sweetness. In the absence of an index such direction is all, but no one interested in wine should miss the aroma wheel on pages 58 to 59.

Not all writers on wine could be described as medium sweet, but all those whom Jancis Robinson has recruited to make this volume such a good companion, a companion for all times, deserve a collective toast. Unfortunately, it must be taken from outside the volume, where under "toast" we read only that "toast given to a barrel when forming it over a heat source, is one of the processes in barrel making that most obviously affect eventual wine flavour". Roll out the barrel.

A monster in context

Anthony Curtis appreciates the detail in a new biography of Evelyn Waugh

This is the third biography of Evelyn Waugh. The general picture of a monster who was a comic genius and who wrote like an angel remains; but this portrait is painted in warm fresh colours; the background is filled in with an eye for detail based on much new investigation and from personal knowledge.

Waugh emerges as an even more complex character than before as he travels through a life that began in 1903 at Fortune Green, North London, as the second son of Arthur Waugh, publisher and occasional writer.

Waugh does not become any nicer through renewed acquaintance. At Lancing College he moved in a precocious set that included Tom Driberg, Dudley Crew (later Times film critic), Roger Fulford and Max Mallowan. The latter remembered Waugh as: "courageous and witty and clever but [he] was also an exhibitionist with a cruel nature that cared nothing about humiliating his companions as long as he could expose them to ridicule."

Those traits remained for the rest of his life. At Oxford, he fell foul of his history tutor, C.R.M.F. Cruttwell, who became thereafter a constant butt of Waugh the writer's wit. Waugh went down without a degree but not without memorable experience. He had fallen in love with inebriate, feckless Alistair Graham, a Catholic convert (who became Sebastian Flyte in *Brideshead*), and had met two homosexual aesthetes Harold Acton and Brian Howard (who jointly became Anthony Blanche).

Waugh had no job and no prospects. Art seemed an option. He had a talent for drawing – or perhaps cabinet-making. He revered craftsmen. In the end it had to be schoolmastering. He went off to Arnold House, Llanddulas, Denbighshire, where he became popular among the boys on account, we are told, of "his enlightened policy of laisser faire". He hated it but it was all wonderful copy. When *Decline and Fall* came out, illustrated by him in 1928, he enjoyed universal critical success. "An uncompromising and brilliantly malicious satire," said Arnold Bennett in the Evening Standard. Waugh was still only 24.

EVELYN WAUGH: A BIOGRAPHY
by Selina Hastings.
Sinclair-Stevenson £20, 724 pages

His first brief marriage soon came to grief and Waugh, now a celebrity, fell in love with many of the well-bred young women he met. Most were indifferent to him as a lover. Sometimes it was whole families of whom he became enamoured in his upward ascent. There were most importantly the Plunkett Greenes, two tall brothers, a daughter and a mother Gwen, niece of Baron von Hugel, the theologian.

It was she – Gwen Greene – who set Waugh on the path to Rome and Father Martin D'Arcy who instructed him. It took a long time for the Vatican to annul his youthful marriage, a measure that became urgent when Waugh met his fate, Laura Herbert, 18, who was of all things the cousin of "She-Evelyn", his first wife. "I thought we had heard the last of that young man," said her aunt.

A happy permanent second marriage did not somehow mellow Waugh. Children, of which they had several, bored him. He tended to disappear when his wife's pregnancies came to term. Instances of his incivility, his outrageous behaviour in his public life, abound. Feuds with other writers such as Peter Quennell could be never ending.

His saving grace was courage. He was an intrepid traveller before the war on various assignments including visits to Abyssinia (see *Black Mischief* and *Scoop*). As an officer in the Royal Marines and Commandos Waugh behaved badly in the mess and inconsiderately towards his men, but was brave in action especially during the exodus from Crete.

The contradictions inherent in Evelyn Waugh could be endlessly prolonged. The role of the landed English Catholic country gentleman, in which he cast himself, was stressful for him to keep up. Add to it the precariousness of literature as a means of sustaining a large household and an extravagant lifestyle and you have the prelude to the ship-board crack-up so well described in *Pinfold*. It was precipitated by bromide poisoning; he was taking it to cure his insomnia.

In his last years Waugh became an icon of English insularity, a volcanic John Bull-figure in houndstooth suit, brandishing cigar or ear-trumpet which he put to his ear when *he* was speaking and lowered when you were. In fact, you were most unlikely to get anywhere near him especially if you were a journalist. He saw the intrusive Nancy Spain of the Daily Express literally off his premises and then successfully pursued her through the courts for libel. He managed in the famous television Face to Face interview to discomfit the normally unflappable John Freeman by replying to his probing questions in brusque monosyllabic one-liners.

After more than quarter of a century, neither the legend nor the bad behaviour matters. Great comic novelists such as Waugh and Dickens do often behave badly to their nearest and dearest as well as to their furthest and most loathed. Waugh the man diminishes to nothing when placed beside the delights of his still hugely readable fiction.

Selina Hastings does not neglect this. She can be most perceptive when relating the life to the novels. All are still in print and selling well. *Vile Bodies* and *Brideshead Revisited* both sold between 11,000 and 12,000 copies last year. If Waugh were alive he would, surely, at 91, be gruntled to know that.

Fiction/**Joan Smith**

Vengeance exposed

P.D. James rises to a creative challenge

The sin at the heart of P.D. James' new novel is a callous act of betrayal committed many years ago, before most of her characters were born. It is a book in which she reveals an almost Oedipal sense of the inescapability of the past, while remaining too complex a moralist to endorse notions of pre-destination or determinism.

The epic tragedy which unfolds in *Original Sin* is a warning against vengeance, whose blind rhetoric is exposed at the end of the novel as a destructive force beyond the control of those who unleash it. Lives are lost, careers destroyed, because of one character's literal acting out of an Old Testament view of justice as a means of enforcing equality of suffering.

That a detective novel should be discussed in these terms is an apparent vindication of James's argument that the form is flexible enough to contain the moral subtlety and fine writing more usually associated with literary fiction. At the same time, it has to be said that few authors who write this type of fiction come anywhere near approaching James's degree of accomplishment.

In her case, the boundaries of the genre appear to act both as a comfortable framework and a creative challenge. *Original Sin* slyly replays some of the clichés of Golden Age detective fiction, from a closed circle of suspects - the partners in an ailing publishing house based in a mock-Venetian palazzo on the Thames – to a locked-room mystery which only gradually-reveals its fictional and historic antecedents.

James has always revelled in plots of startling intricacy which she manages to unfold without intruding her authorial presence. In *Original Sin* she writes cinematically, beginning with a series of brief, vivid scenes in which a temporary secretary arrives at the Peverell Press and observes not just its architectural magnificence but the discontents among the staff. The company's chairman has recently died (of old age, unlike the deaths which swiftly follow) and been succeeded by Gerard Etienne, the ruthless son of his French business partner.

ORIGINAL SIN
by P.D. James
Faber £14.99, 432 pages

Gerard is planning sweeping changes, among them the sale of the palazzo, ironically named Innocent House, to a property developer. Shortly after a bad-tempered board meeting he is found dead in a poky upstairs office, his corpse garishly presented: half-clothed and with a draught-excluder in the shape of a snake (known in the company as Hissing Sid) wound round his neck, its head jammed into his mouth.

The image is grotesque, pantomimic, yet without in any way undoing the horror of the scene. Later in the book, when another victim is shown struggling and failing to escape the gruesome death planned by the same killer, James's contribution to detective fiction becomes clear. Where Agatha Christie or Dorothy L Sayers or John Dickson Carr used violent death as a device, the enabling act which set the plot in motion, James aims for an emotional authenticity which restores its chilling, unforgiving finality.

Murder for her is an outrage, a rent in the social fabric which the forces of law and order - represented in this novel by her Scotland Yard detective Adam Dalgliesh and his assistants - struggle not so much to mend as to limit. In *Original Sin*, the impossibility of the task comes close to overwhelming them, producing a black, bitter finale which casts a baleful light on the conventional romance acted out by two of the surviving characters. James's finest novel to date, *Original Sin* exposes the harsh fallibility of human vengeance in a world where the ideal of divine justice, though attractive to Dalgliesh – and I suspect, his creator - may also prove illusory.

BOOKS

Feminist mauling of the power of myth

Jackie Wullschlager writes on a deconstruction of fairy-tales

Of all art forms, the fairy-tale is the most reliable barometer of a society's cultural priorities. It is the oldest popular literature we know, and responses to it have always spoken loudly for their times.

In the 18th century – the Age of Reason – fairy-tales were banned from the nursery as dangerously imaginative. With the Victorians, their innocent heroines were sentimentalised – Dickens said perfect bliss would be to marry Little Red Riding Hood. In the 1930s, the Nazis billed the Grimm Brothers' stories as pure Aryan *volk* tales, advertisements for the German heritage.

Marina Warner, one of the best-known cultural commentators of the 1990s, has brought the politically correct clichés and intellectual fripperies of contemporary mediaspeak to bear on fairy-tales.

FROM THE BEAST TO THE BLONDE
by Marina Warner
Chatto and Windus £20, 480 pages

The book confirms what the Reith lectures earlier this year suggested: that Warner is not a serious thinker in search of the truth but a propagandist for a brand of popular, feminist prejudice. She uses the trappings of scholarly reference and literary allusion to deliver familiar ideas which neither challenge nor illuminate the received wisdoms of our age.

From the Beast to the Blonde says that fairy-tales offer a misogynist view of female characters. This misogyny can be traced to the "particular web of tensions in which women were enmeshed" when the stories were first recorded, but it is now outdated and we should develop alternative readings.

Warner shows convincingly how features of fairy-tales that we take for granted are rooted in specific historical periods. Mothers are absent because they often died in childbirth: Cinderella, in sackcloth and ashes, is a child mourning her mother. Stepmothers are present because widowers generally remarried: 80 per cent did so within a year in 17th- and 18th-century France, when the early literary versions of Cinderella and other tales were written by courtly authors like Charles Perrault. Arranged marriages, dynastic feuds, dowries – all were part of the daily fabric from which the tales emerged, and explain why evil stepmothers and cruel stepsisters play vital roles.

Warner presents her case as a quarrel with a second – and by no means a contradictory – interpretation of these characters: as archetypes who tell us less about history than about the human psyche.

Bruno Bettelheim, in his seminal book *The Uses of Enchantment* (1976), crystallised this psycho-analytical view, showing brilliantly how the tales confront unconscious dilemmas and help resolve them through fantasy – sibling rivalry in Cinderella, mother/daughter friction in Sleeping Beauty, fear of abandonment in Hansel and Gretel. Bettelheim spoke up for the evil stepmother, arguing that she licensed children's fantasies of hatred by preserving the idea of the good real mother, and that when she is offset by a fairy godmother, as in Cinderella, a child can work through his sense of a parent as both benign and threatening.

For Warner, "this archetypal approach leeches history out of fairy-tale ... Bettelheim's theory has contributed to the continuing absence of good mothers from fairy-tales in all kinds of media, and to a dangerous degree which itself mirrors current prejudices and reinforces them". Evil stepmothers, ogresses, ugly sisters have become "hallowed, inevitable symbols, while figures like the Beast bridegroom have been granted ever more positive status ... the danger of women has become more and more part of the story, and correspondingly, the danger of men has receded".

To want fairy-tales without stepmothers and ogresses is to want Hamlet without the prince. Characters from great literature are both archetypal and historically specific, to deny one or the other is to make a nonsense of how art develops out of the particular to show the universal. Jane Austen's characters, for example, are unimaginable outside their calm 18th-century houses, yet they survive in our imagination because they go so far beyond them in their timeless human experiences.

There are other flaws in Warner's attempt to talk away the power of myth. Her evidence for misogyny is ridiculously weighted. The handful of bad women she fixes on can easily be matched by a cast of male horrors – Bluebeard, Rumpelstiltskin, ogres and giants, the child murderer in Babes in the Wood.

More seriously, her argument that outmoded stereotypes still shape the tales conflicts crucially with the central piece of criticism in the book, the deconstruction of Beauty and the Beast. Warner examines how recent versions – Angela Carter's retellings, the Disney film – reflect two shifts in modern sensibility.

One is the revolution in attitudes to animals, now romanticised rather than feared as in medieval Europe, when bears roamed the woods on the outskirts of town. In the film, the cuddly Beast resembles the American buffalo and "represents tha lost innocence of the plains before man came to plunder". The second is sexual liberation. Where once the Beast had to be tamed, now he answers Beauty's desire for wild sexuality.

The Disney film was made not only for Me-generation kids – the first song is "I want much more than they've got planned" – but for mums raised on Gloria Steinem and the ecology movement. It indicates the extent to which feminist thought now governs popular culture, and it reduces to absurdity Warner's conspiracy theory that "as individual women's voices have become absorbed into tha corporate body of male-dominated decision-makers", fairy-tales have become the province of misogynist tellers.

From the Beast to the Blonde joins the fray of one of the great intellectual battles this century: feminism versus psycho-analysis. But, unlike Warner's previous subject – the Virgin Mary, Joan of Arc – Goldilocks and Jack and the Beanstalk do not fit easily into the grooves of sexual politics. As a result, the book carries a tone of carping insecurity and complaint which sits oddly with both the subject of fairy-tales and with Warner's intelligence and scholarly ability.

Both Bettelheim and Iona and Peter Opie, the other great modern writers on the tales, echo in their criticism the upbeat optimistic mood of fairy-tales themselves. *The Uses of Enchantment* ends with an account of family happiness: "This is one of the manifold truths revealed by fairy-tales, which can guide our lives; it is a truth as valid today as it was once upon a time."

By contrast, Warner concludes on a note as weak as Bettelheim's is strong: "It is time for wishful thinking to have its due." It is the difference between a critic who was wise enough to stand outside his times and write what he believed in, and one who is pandering to popular prejudices.

Eleanor Vere Boyle's classic illustration for 'Beauty and the Beast': 'Animals are now romanticised rather than feared'

Purity vs promiscuity

A.C. Grayling on sex in history

More is talked and written about sex now than at any time in our history. Until recently we took this as a sign that ours is a time of sexual liberation. Because of the erratic genius and even more erratic scholarship of Michel Foucault, however, we have been made to see that this is not so. We are, according to him, still in the grip of repressions and inhibitions which have grown apace since the 17th century.

Few historians accept Foucault's consciously wayward treatment of the facts, but on this point at least he seems right. Neither A.D. Harvey nor Michael Mason make use of his views in reporting the complex recent history of attitudes to sex, but it is hard not to conclude, after reading their books, that despite Freud and improved contraceptive technology, we are – as Foucault claimed – scarcely more rational, liberal, or active now than our forebears were in 1700.

Note the phrase "attitudes to sex": these books are not about sexual practices but about ideas and opinions. Harvey traces the change in attitudes to sex during the 18th century, Mason the nature of attitudes to sex in the 19th century. There is considerable overlap between them, not just in subject matter but also in time. Together, although unintentionally, they provide a continuous history of changes in attitudes to sex in the two centuries before Freud.

In early Georgian England it was commonplace to believe that women had stronger sexual appetites than men. "A woman is 10 times more inclined to, and delighted in copulation than a man," wrote one supposed authority; "in the rites of love," wrote another, "a woman is too many for a man, and capable of tiring him quite down". The robust picture of female sexuality implicit in Shakespearean bawdy is recognisable here. But by the beginning of the 19th century, women had become frail and delicate, and "expert" opinion now proclaimed that the normal female sexual appetite was "dormant, if not non-existent".

In Harvey's view, what was going on was a denial of female sexuality coupled with an increasing concern for female "purity". With the view of women as inferior and vulnerable there grew up new mythologies of seduction and rape – the former being what happened when girls said "yes", the latter when they said "no".

The common belief was that girls who had "mislaid their virginity" were doomed to the streets.

Harvey reports Georgian England's increasingly anxious attitudes towards sex, and its concomitant attempts at repression and control. Mason, who recently published a much-praised account of Victorian sexual life, focuses attention on the surprising fact that it was secular, rather than religious, opinion which turned Georgian anxiety into Victorian obsession.

The usual view is that Methodism and evangelical Anglicanism were responsible for the primness of Victorian sexual attitudes. Mason shows that religious orthodoxy in England was on the whole in favour of sexuality – within marriage, of course – and strongly disapproved of the celibacy of Roman Catholic priests and nuns. "Anti-sensualism" came not from vicars and bishops but from progressive opinion, such as the followers of Bentham, the proponents of working-class self-improvement, and the feminists, most of whom were opposed to liberalised sexual attitudes and birth control.

SEX IN GEORGIAN ENGLAND
by A.D. Harvey
Duckworth £20, 205 pages

THE MAKING OF VICTORIAN SEXUAL ATTITUDES
by Michael Mason
Oxford £17.99, 256 pages

This odd inverelon is explained, according to Mason, by the progressive belief that the more human beings aspire to civilised values, the less instinctual and animal they become – and this means, the less they are gripped by sexual appetite. Mason calls this "aspirational anti-sensualism". The claim that such views, rather than canting religious sentiment, are the chief engine of Victorian morality is a striking and original thesis. Mason does not deny that religious sentiment played its part, but he accords it a "passive" role.

There is one important gap in Mason's account. The growing confidence of Victorian medical science put a weapon into male Establishment hands which obstructed a clear-eyed understanding of sexuality in general and female sexuality in particular. Much of what was believed about sex by Victorian doctors has since been stood on its head, but surprisingly many of its prejudices remain. Only now, for example, is it again being acknowledged that women have as robust a sexual appetite as men.

These are instructive and important books. Apart from their special interest, they show yet again that the study of history is an absolute necessity for understanding most things human.

A guide and a gambler

Iain Macleod was a man of paradoxes, writes Malcolm Rutherford

Iain Macleod has been a legendary figure in the Tory Party for so long that it is surprising we have had to wait until now for a comprehensive biography.

Even posthumously, paradoxes abound. Macleod was one of the first senior Tory MPs to recognise the talents of the young Margaret Thatcher. As shadow chancellor in the mid-1960s, he insisted that she should be his second-in-command, and let her rip. He concluded quickly that one day there could be a woman prime minister, and it might be her.

At the same time, as we now know, Macleod was the hero of another aspiring politician who was also a future prime minister: John Major. It was Macleod's appeal to one nation and his ability to captivate a Tory Party conference that Major admired.

Yet Macleod made enemies as well as friends. Lord Salisbury, once a force to be reckoned with in the party, dismissed him as "too clever by half", and the charge stuck. Alec Douglas Home, in whose cabinet Macleod declined to serve, thought that Macleod was naive, especially over Africa. Macleod thought that Home was the most arrogant man he ever met.

In one telling case, friendship turned to ashes. Two of the guiding lights in the post-1945 Conservative Party were Macleod and Enoch Powell. Macleod long regarded Powell as an intellectual mentor, even if he seldom went all the way with his conclusions. When Powell turned against coloured immigration, the friendship died.

Some of Macleod's other likes and dislikes have no obvious explanation. He rather liked James Callaghan: the pair of them shadowed each other across the House of Commons first on colonial policy, then on the economy. He had a marked distaste for Roy Jenkins, despite the fact that the kind of Britain that both of them wanted to see must have been practically identical. He professed to despise Harold Wilson, although Wilson was one of his greatest admirers.

Above all, Macleod thought that Edward Heath was boring and never considered him as a serious contender for the leadership of the party until it was too late to stop him.

In short, Macleod was a very unusual man, which is what this book is about – or should be. At times Robert Shepherd's biography is a little too comprehensive, a mite too taken up with detail, to let the story of the man come through. Yet the story is still there.

Macleod was a gambler. Early in the war, after a bout of drinking, he attempted to shoot his commanding officer for refusing to play stud poker with him. But that was an aberration. On the whole he gambled astutely. He made his spending money out of playing bridge and writing about it in the newspapers. He helped to invent the Acol system of bidding – named after a club in Acol Road, South Hampstead.

Shepherd perhaps understates the importance of this. The system works by keeping the initial bidding low in order to allow for a possible dramatic change of suit later on. That was how Macleod worked in everything.

As minister of labour in the late 1950s, he loved bargaining with the unions ovar pay. Some of the union leaders respected him for it. At one stage, during a famous London bus strike, a group of them went to see him privately to say that Frank Cousins, the transport and general workers' leader, should be taken down a peg.

Macleod continued in much the same style as colonial secretary. In retrospect, that was far and away his most important job. When he appointed him after the 1959 general election, Harold Macmillan noted that "Africa seems to be the biggest problem looming for us here at home". Macleod's task was to accelerate independence without provoking massive unrest. He did it through a series of cliff-hanging negotiations during which both blacks and whites often claimed that they had no idea which way he would play the cards.

IAIN MACLEOD. A BIOGRAPHY
by Robert Shepherd
Hutchinson £25, 608 pages

The unrest that resulted was mainly in the Tory Party at home, which was why Macmillan removed him from the job after two years. Nothing that Macleod did subsequently quite lived up to the African achievement. For a while he seemed a possible future leader, but was pre-empted by Home and then overtaken by Heath. He might have been a very good, tax-reforming chancellor of the exchequer when the Tories returned to office in 1970, but he died within a month.

There were other sides to Macleod's character apart from the gambler. He was brought up in Yorkshire, but had roots in the Scottish isles. His father was a GP from whom Macleod inherited a social conscience. His first mark in politics was to speak up for the reform, but also the preservation, of the health service. His belief in the brotherhood of man lay behind his approach to African independence. Previous colonial secretaries had been well off: Macleod had to cash in his life insurance policy to defray his expenses.

He loved poetry and could quote it at length; also sport. From early on, his physical health was not good and grew steadily worse. He concealed his pain very well. He was a great speaker with a marvellous voice and immaculate sense of timing. He was also a sparkling journalist, as his stint as editor of *The Spectator* revealed after he refused to serve under Home.

Yet he was undoubtedly ambitious for the premiership and, as Shepherd points out, could be devious and calculating. Shepherd perhaps attributes too many of the unsigned articles in *The Spectator* to Macleod himself. I know because I was there. When he wrote his most famous article of all on the Tory magic circle, I suggested that we should put on the cover simply "What Happened" by Iain Macleod. "That'll do," he said. Then he chuckled and added quietly: "Well, some of what happened."

The days of a maverick

J.D.F. Jones recalls the life and times of a great eccentric

Francis Younghusband was one of the great eccentrics of the later British Empire, a large club which included Gordon, Baden-Powell, Meinertzhagen, and many more. Patrick French has given him an enthralling, well-written, revelatory and flawed biography.

I am not sure about the subtitle – was Younghusband really the "last great imperial adventurer"? (What about the Arabian gang, including T.E. Lawrence?) But he was certainly a great and maverick character whose invasion of Tibet in 1904 was only one episode in a dramatic life. "Journalist, spy, guru, geographer, writer, staunch imperialist, Indian nationalist, philosopher and explorer" are listed by French (leaving out soldier and geriatric lover), and he adds: "How had a blimpish colonialist managed to end up as a premature hippy?"

Younghusband's exploits in Asia have of course been recorded before, most recently by Peter Hopkirk and Anthony Verrier, and before that by Peter Fleming and Jan Morris. The value of Mr French's book is that he tells us so much about the *rest* of tha life: indeed, he has the wit to argue that the Tibetan adventure was merely "a formative part of an extraordinary journey of personal discovery and development".

After 1908, when Younghusband retreated from India to Britain, he recedes from our history books; yet he became author, public figure, president of the Royal Geographical Society, founder of the "Fight for Right" patriotic movement in 1915, commissioner of the *Jerusalem* anthem, promoter of the first Everest expeditions, forerunner of the "Gaia" theories which are today favoured by Professor James Lovelock and the New Age movement, stalwart of the Travellers Club, mystic ("a religion of atheism" said his friend Bertrand Russell), supporter of Indian independence, philosopher, crank – and (Mr French's most delicious discovery) the passionate 76-year-old lover of Madeline, Lady Lees, with whom he published a marriage manual and to whom he wrote, "The woman in you makes great appeal to me and rouses all the most manly in me. You are a remarkable illustration of the essential Creative Spirit of the World ..."; he thought Lady Lees might be the Messiah (he had had a cold and unhappy marriage).

YOUNGHUSBAND: THE LAST GREAT IMPERIAL ADVENTURER
by Patrick French
HarperCollins £20, 440 pages

Well might the biographer ask, after 300 pages, "Was he barking mad?" To which the answer must be, not quite. Younghusband was a product of post-Mutiny Anglo-India and Clifton (where he acquired a lifelong friend in Sir Henry Newbolt and a habit of cold baths, which he continued to indulge at 20 degrees below in the Karakoram). The young Army officer with an Evangelical background and an interest in Buddhism began to have mystical experiences in the high mountains, and his colleagues must have been aware that a certain instability might accompany the compulsive risk-taking and extreme physical stamina – as the colonial phrase would put it, he tended to "go bush".

He made an early name for himself on a crossing of the Gobi Desert and then as a young participant in the Great Game, in the remote region where Russia, China and British India met. It was Younghusband who, when sent to tame the Mir of Hunza in 1889 – "I knew that he was a cur at heart, and I have no doubt he was impressed by my bearing" – encountered the Tsar's forward agent Grombtchevski; he deliberately mis-directed the Russian, almost to his death, an episode which surely must have inspired the scene in *Kim*, though Mr French does not mention it.

The subsequent career was by no means smooth. Younghusband only got the Tibet expedition in 1903-4 because he was a chum of Lord Curzon. Mr French enjoys telling the story of this last round of the Great Game, without forgetting that the invasion was an unnecessary failure – the Viceroy and Younghusband sincerely believed that the Russians were in bed with the Tibetans, and were wrong. The advance on Lhasa was never intended by Balfour's government, and Younghusband, not so unfairly, was to be a scapegoat.

That should not have surprised anyone: Younghusband was usually out of his depth in the world of diplomacy, whether in the Himalayas or in his mysterious, and still obscure, involvement in the Jameson Raid in 1895 Transvaal. Ninety years on, with the Chinese more than ever the imperial masters of Tibet, that useless British exercise looks even shoddier, less justifiable than ever.

There is one serious flaw in this enjoyable read (apart from the inadequate maps, whereas the photographs are good). Mr French has chosen to tell this splendid tale in the framework of his own recent travels in the region "to follow his trail". There is surely something – well, *immodest* about this in the context of such superhuman exploration. *Who cares* about the young Mr French's stopover impressions of Kabul Airport? Who cares that he failed to follow the route of the 1903 invasion, failed to find the letters to the adored Mrs Douglas, fell ill in Calcutta, and overdramatises his own minor skirmish with the Indian Army in Sikkim?

But to set against this we have a frequently happy turn of phrase – for example, of the west's fascination with the east, "conquest and wonder dancing hand-in-hand" – and an eye for the apt quotation, as when Younghusband writes to a married lady he fancies, "You would make a splendid Colonel of a Cavalry Regiment if you were a man ..."

Those were the days.

ARTS

Land of natural born censors

Nigel Andrews on the postponement of Oliver Stone's controversial film, Natural Born Killers

In a recent interview in the New Yorker film-maker Oliver Stone mused on the O.J. Simpson murder case. "The line between thinking murder and doing murder isn't that major," he said. "Isn't that the point of *Natural Born Killers* anyway?"

Our censor certainly seems to think so. Using the excuse of caution in the run-up to next week's *Criminal Justice Bill*, he has put Stone's new movie – which was due to open in three weeks – on indefinite hold: presumably in the belief that showing it might help those with murder in their minds to get it out on to the streets.

A story of two young killers on the rampage, Stone's film is already a *cause célèbre* in its native US, where people refer to it familiarly as "NBK" (from the director who brought you *JFK*).

Several murders supposedly influenced by the film have been pinned to its charge sheet. Original screenwriter Quentin Tarantino disowned Stone's reworked script, saying it turned the spotlight away from the satirised media circus on to the luridly depicted couple themselves (Woody Harrelson, Juliette Lewis). And Mario Vargas Llosa broke jury purdah at last month's Venice Film Festival to curse the movie publicly and to help ensure that it won the Special Jury Prize rather than the Golden Lion. Hardly a wooden spoon even so.

Now *NBK* may become the first high-profile, prize-winning feature film to be banned outright in the UK. For a film journalist this has been a bizarre week. Two days after rumours broke last Sunday of censor James Ferman's move – or rather decision not to move on the overdue certification – I rang the distributors Warner. Their press office said *NBK* would open as normal, on November 18, and that I must disregard all groundless reports.

Two days after that, the rumours had several feet of concrete under them. And we who oppose censorship on a more or less across-the-board basis had another 10-ton controversy coming towards us.

Natural Born Killers is not a masterpiece. In the US it was not even a popular masterpiece. After opening strongly it fizzled out, making about \$47m (£29m). Any film-goer keen to be depraved or corrupted had to negotiate the alienating impact of Stone's style in the film. And yet that style – or cut-up *multiplicity* of styles, as if from the brain of an intellectual who has overdosed on MTV – gives the film its one claim to distinction.

In a matter of seconds the same scene – even the same shot – is presented in colour/newsreel-style black-and-white/home-movie video/slow motion/fast motion. There are surreal back-projections; there are subtitles lantern-projected on to characters' bodies during a dialogue scene with Indians.

Most bizarrely – and for me effectively – a flashbacked sequence of Lewis's abused childhood is presented as broad sitcom, complete with canned laughter and comedian Rodney Dangerfield as Dad.

This not only debunks any hint of solemn special pleading on the character's behalf, it adds to the sense that Stone's film is less about the killers themselves than about the multitudinous ways we re-process – and trivialise – true-life tragedies and horrors in the age of tabloids and wall-to-wall TV.

The film has at least a glimmer of serious intentions. But that will not stop the usual baying for film-makers' blood of those who see movies as Incitement rather Insight in times of trouble and violence. For me, those in the UK who favour screen censorship – which has a stronger hold here than in almost any other western democracy – are in the same ideological cul-de-sac as those who favour state subsidy to our film-makers. They think that victory comes through lack of struggle: that moral arguments are won by never having them, just as prosperity is won by never having to earn it.

Should children be protected from violent films? Probably they should. (Ergo: certificates). Should the mentally unstable be shielded from violent films? Of course they should. Should the adult, sound-minded population be held to ransom by these sectors of society, so that *none* of us can see and debate the controversial works? Of course it should not.

But the UK is a tight little island with a siege mentality towards its culture and morals. We are natural born censors. This goes all the way from the protectionist nationalism of our attitude to our film industry – we believe the world owes us a living – to the throttling of free and informed debate on movies like *Natural Born Killers*, by withholding the movie itself.

We have had no full explanation from the censor on why he has singled out Stone's film. He himself has poured scepticism on the "copycat" factor by referring to last year's *Child's Play 3* false furore. The pointless martyrdom visited on *Natural Born Killers*, if delayed certification turns into a ban, may end up enhancing not diminishing the film's reputation.

Searching for space in outpost by the sea

William Packer surveys the Tate at St Ives

The Tate Gallery at St Ives, a new and not exactly unobtrusive building by Evans and Shalev on the site of the old gasworks overlooking Porthmeor Beach, was opened to the public last summer amid much local bally-hoo. Why should Modern Art be imposed so heavily, and so expensively, on an old fishing town that was used to artists but these days depended upon tourism for its livelihood? Would such money not be better spent on a leisure centre, or a swimming pool?

Protests were made, meetings held: and now we have something of an answer. The scheme was argued on a projected annual attendance of some 70,000 visitors. This target was reached within months. The full year achieved a total well over 200,000. More to the point, with tourism so seasonal and St Ives shutting up shop for the winter, attendance ran to above 80,000 through the winter months. The seasonal orthodoxy has been confounded.

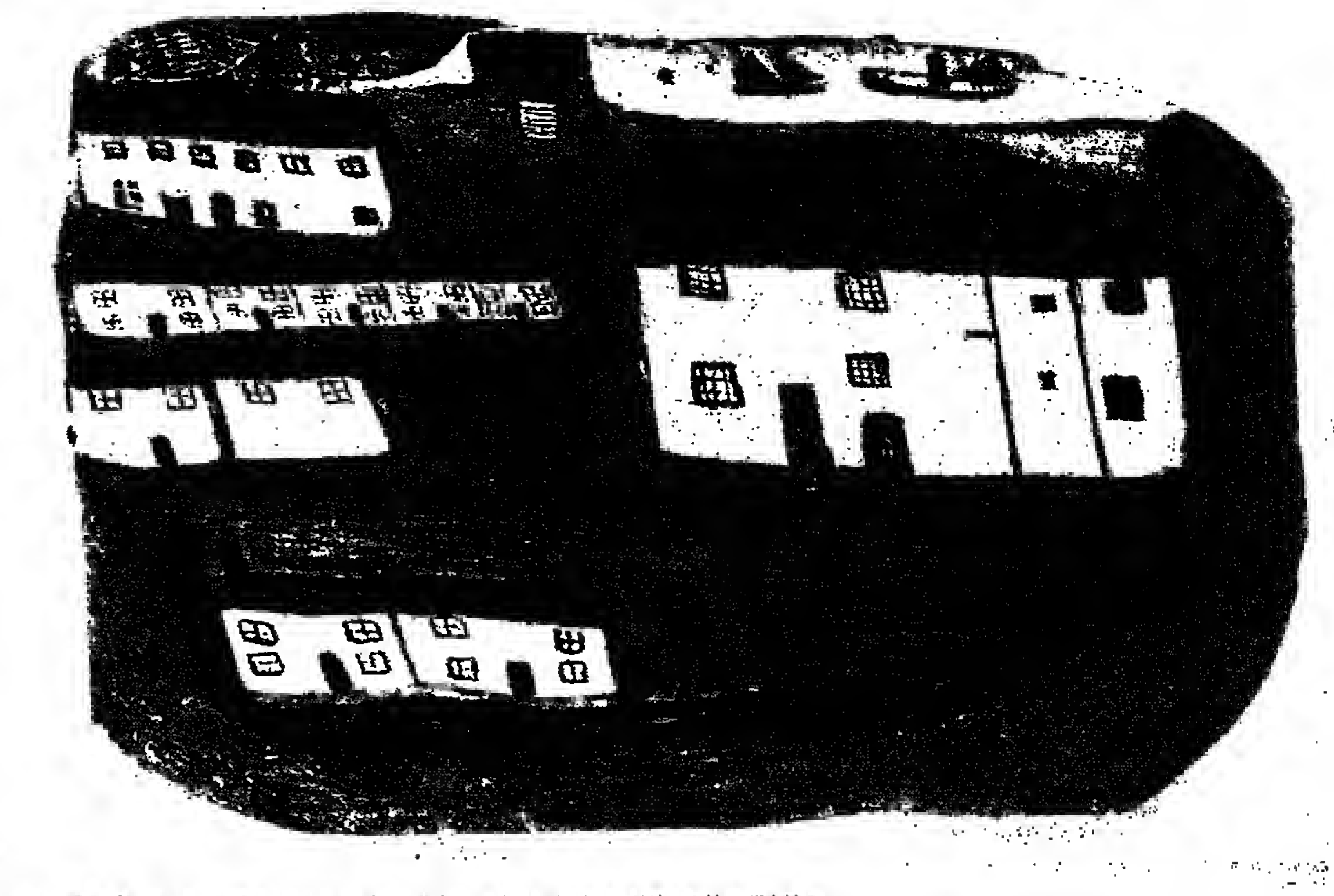
That said, however, the Tate itself does face certain problems. Purpose-built as it is, the building was never designed to cope with so many people. And once inside, the galleries seem surprisingly few, and rather small. The view over the beach may be spectacular, the cafe delightful, the bookshop full, the lobbies even generous in proportion to the rest. But has not space been wasted, just a bit?

In fairness it must be said that such questions are being addressed as exhibiting policy evolves beyond the first plans. This time more works have actually been hung. And while the concentration on the later modern artists of St Ives itself – on from Ben Nicholson, Christopher Wood and old Alfred Wallis in the late 1920s – is clearly not to be given up, it is never to be dogmatically exclusive. That, with Newlyn and its turn-of-the-century painters only six miles away, would be merely perverse.

But there is another nettle to be grasped. The Tate was never going to offer any permanent display of the St Ives artists in Cornwall, for to do so was not possible in the restricted space, nor desirable in what must always be an outpost. What is given instead is a rolling programme of displays, each treating on a given aspect of the subject. Yet what is the distinction between the impermanent study display and the *temporary exhibition?*

For these new displays, chronology is given up and the five galleries devoted each to a separate theme: The Penwith Landscape; In the Studio; Private and Mythic Narrative; Observation and Abstraction. The fifth, and the only one called a study display, is in fact a small exhibition of Peter Lanyon's two "Generation" series, made in the late 1940s after his return from the war. Both are figurative, one more mystical with its chalices and still life, the second directly founded in the coastal landscape of West Penwith and Portreath. Together they foreshadow the larger and abstracted expressions of the sensation of landscape that characterised Lanyon's later work.

Apart from what it tells us of Lanyon, this little show makes the point that so focused an exercise carries a disproportionate weight. The Tate at St Ives is perfect for the coherent temporary exhibition of medium size, which is not the same as the current run of displays through the remaining galleries. With them the sense is rather of the hanging of sympathetic work first, and the naming of it later. It is not a question of size, but only of purpose and concentration.



Alfred Wallis's 'St Ives', circa 1928, showing at the Tate at St Ives: each room holds remarkable and beautiful things

Even so, each room holds remarkable and beautiful things – Paul Feiler's abstract rockscapes and the Alfred Wallises in the first room, Margaret Mellis's anemone in the second, Frost and Heron and Scott in the fifth. And the grievously under-rated Karl Weschke's dark, drowned body on the beach, in the fourth room, would grace "The Romantic Spirit in German Art" now at the Hayward, had the organisers but the wit to know of it.

Downstairs, in the entrance lobby, is a monumentally lumpen sculpture by Peter Randall-Page. He is the most distinguished stone-carver of his generation and quite at home in the town and spiritual company of Barbara Hepworth. The London show of his latest carvings, "Secret Life", massive pods of granite split to reveal their carved insides and looking magnificent against the Thames at Reed's Wharf, has a week to run.

The New Displays: Tate Gallery St Ives, Cornwall: sponsored by Intercity. Peter Randall-Page – Secret Life: Reed's Wharf Gallery, Mill Street SE1, until November 5.

Putting a fresh twist on Beethoven

Andrew Clark on a controversial conductor who likes his players to take risks

An unusual musical partnership takes to the stage in London and Birmingham over the next two weeks: Nikolaus Harnoncourt will conduct the Philharmonia Orchestra in two cycles of the Beethoven symphonies. Harnoncourt is the pope of historically-aware performing practice in continental Europe. The Philharmonia represents the modern symphony orchestra *par excellence*.

Harnoncourt has been hailed as one of the most original and dynamic interpreters of classical repertoire, celebrated for his ability to make people hear familiar music with fresh ears. Well-known to record-buying cognoscenti in the UK, he has been a rare visitor to London. The Philharmonia concerts are his first encounter with a British orchestra – one which helped shape a previous generation's knowledge of Beethoven through its concerts and recordings with Otto Klemperer.

Just how easily the Philharmonia will absorb Harnoncourt's ideas is the subject of much speculation in London's music establishment. Whatever happens, the results are unlikely to be dull. Harnoncourt's Beethoven is worlds away from the traditional approach. He favours shorter, more eventful phrasing, rationed vibrato, sharply-defined timpani and horns that rasp like their valveless antecedents.

He is equally far from the opposite pole of "authentic" gurus. He has never conducted Beethoven with a period-instrument ensemble, his dictum being that the player is more important than the instrument. He drives Beethoven's allegros with blinding intensity, but unlike Roger Norrington or John Eliot Gardiner, he introduces subtle inflexions of tempo. The result is a marriage between historical nicety and the need to project and re-invent the music for today.

Harnoncourt, a Berlin-born Austrian, made his name as a specialist in baroque and early music, but now spends most of his time with conventional orchestras. Those who have worked with him speak of his instinctive feeling for the music, backed by extensive study of contemporary sources. Francis Hunter, who played oboe in Harnoncourt's Mozart cycle at the Zurich Opera House, refers to "his ability to slot into the gut level of each piece and convey what is meaningful and expressive".

Harnoncourt spent 17 years as a cellist in the Vienna Symphony Orchestra, so he knows what it is like to sit listening to conductors. "He has answers to why he wants things done in a certain way," says Dane Roberts, a double-bass player in the Chamber Orchestra of Europe, with whom Harnoncourt has recorded the Beethoven symphonies.

Harnoncourt, 64, is less forbidding in conversation than his platform manner would suggest. He speaks good English and is accompanied everywhere by his wife, Alice, an experienced violinist who acts as his agent.

His biggest triumphs in recent years have been at the Salzburg Festival: cold-shouldered during the Karajan years, he has become a fixture of Gerard Mortier's programme, and will conduct *Le nozze di Figaro* next summer. His present repertoire ranges from Purcell's *Fairy Queen* to Bruckner's Third Symphony. He acknowledges numerous blind spots, including Gluck, Berlioz, Mahler and Strauss, but has late Verdi and Berg's Violin Concerto in his sights.

Tim Richmond/Teldec

Nikolaus Harnoncourt: dynamic

Central to Harnoncourt's understanding of Beethoven is what he calls the musical rhetoric – word-like units of phrase which grew out of the connections between music and language in the baroque and early classical era. "Composers a generation after Beethoven would laugh at the idea," he says. "Beethoven drew on the same musical vocabulary for 30 years of his life – words, figures, formed from a handful of notes – and used them in a rhetorical way. Is the musical speech a continuation of the previous phrase or a response to it? It's important that the players know, because his music tells you something – it's on the verge of programme music."

Harnoncourt dismisses the idea of musical authenticity. He says that even when orchestras play with period instruments, they are realising their idea of sound from a 20th-century perspective. "Musical interpretation changes with every generation. Each laughs at its predecessor and believes it is closer to the will of the composer. I do all the repeats in Beethoven's symphonies, but 30 years ago it was not the done thing, and in another 30 it will be different again. It is like changing fashion."

One reason why the field of interpretation is so wide is that Beethoven did not always make his final intentions clear. Harnoncourt says the autograph scores are different to most composers of the period, "because Beethoven did not correct them – he gave them to a copyist and corrected the copy. The parts were printed before the full score, so he corrected the parts. You cannot even say the last source is the will of Beethoven, because he changed a work like the Fourth Symphony for certain performances. You have to make a lot of judgments yourself."

At the same time, Harnoncourt is determined to root out modern accretions, such as the trumpet's "note of victory" in the first movement of the *Eroica*. "Orchestras today play a note which was not written by Beethoven. You could say the theme is not complete without it, that the trumpet players of Beethoven's time were not good enough, so let's add it. I think Beethoven included the failure, just as he asks the sopranos in the *Missa Solemnis* to sing a note that's too high for them. He wanted their faces to be blue and the voice to crack – this is part of the composition. A hero likes to show only his heroic side, but what Beethoven does is to show that after all, the hero is a failure."

He dismisses the argument that if Beethoven had had access to today's instruments, he would have adapted the parts accordingly. "Then he would have written everything differently. The limitations of the instruments were a source of inspiration. We don't know what Beethoven would have done with the instruments of today – geniuses always do things differently to what we expect. I don't agree with the retouching that goes on. I don't change a note."

Harnoncourt also questions modern trends in orchestral sound, saying the American-led drive for technical perfection puts the emphasis on security at the expense of beauty. That is why he encourages brass players to experiment with the old valveless instruments.

He describes beauty as "something to do with unevenness – it's changing all the time, there is a bit of dirt in it, it's not pure. If you have a group of semi-quavers and you play them absolutely equal, it's sterile.

"For me, the most beautiful instrument lies at the edge of catastrophe. I prefer risk – I like a musician who makes a mistake because he risks too much."

The Harnoncourt/Philharmonia Beethoven cycle begins at London's Royal Festival Hall tonight and Birmingham's Symphony Hall next Thursday.

ARTS

Inspired flair captures Wexford

***David Murray** on a final act at the festival*

This year's Wexford Opera Festival is the 13th that Elaine Padmore has directed, and her last; she is moving on to the Royal Danish Opera.

It would be impossible to overestimate what she has done at Wexford, for year after year she has fulfilled her brief superbly. She has chosen an annual trio of neglected, obscure or forgotten opera with inspired flair, resource and cunning balance. She has scoured Europe and the former Soviet Union for the right conductors, producers and casts, from the range of artists – especially young ones – that Wexford can afford.

The rare let down only proves that she can take brave, calculated risks.

Not least, she has kept the town thoroughly involved in it all. Good Wexford singers find roles, one or two operas each year use a lot of local children, and some 250 volunteers work unpaid for the festival – in the satisfying knowledge that it is pure gain for the town. Everybody is happy, even euphoric, as any Wexford Festival-goer can attest. At White's Hotel, the Talbot and other watering-holes, the operas are discussed far into the night. Miss Padmore's Italian successor will find hers a formidable act to match.

Besides young Wagner's *Das Liebesverbot*, which I wrote about on Tuesday, the 1994 festival offers two more rarities: Anton Rubinstein's once-famous *The Demon* (1871, premièred 1874), and the alternative *La Bohème* by Leoncavallo – composed simultaneously and competitively with Puccini's, but eclipsed by that and by his own *Pagliacci*, like everything else he wrote. Yet he is more faithful to Murger's original serial, "Scènes de la Vie de Bohème", which he captures with a crueller vision.

Where Puccini reduced and intensified just two sentimental strands of it, to the point where the "bohemianism" was little more than local colour, Leoncavallo insisted upon the feckless, nihilist real-life scene. His first two acts give us a Schaunard – here a main character – who is a flamboyant catch-as-catch-can composer, along with the choked poet Rodolfo, the would-be painter Marcello and their promiscuous sweethearts Mimi and Musette, amid their cut-rate arty parties. In the later acts they are reduced inexorably to prostitution and destitute squalour without hope; Mimi dies miserably while nobody does anything.

In Reto Nickler's production, the descending curve is traced without mercy. Unfortunately, the conductor Albert Rosen gives the National Symphony Orchestra its unbridled head at every point. His singers are driven to ear-splitting passion, with ultimately deadening returns: Jonathan Veira's rollicking, eye-rolling Schaunard, Petryk Wroblewski's fluffy-haired, bespectacled, distracted Rodolfo (here a baritone), Jean-Pierre Furlan's desperate tenor Marcello, the heartfelt – though not notably musical – Mimi and Musette of Jungwon Park and Magali Damonte. But Leoncavallo is not, finally, betrayed: the taste of ashes-in-the-mouth is sour and true, over-screeched as it may be.

The Demon, in which Miss Padmore has wisely cast six fine Russian and Ukrainian principals, proves to be more impressive than expected, even with cuts. Perhaps it faded from the repertoire, some 70 years ago, merely because native Russians had become hard to find in the west.

Shorn of its spooky-mystical trappings, as here in Yefim Maizel's production and Paul Steinberg's striking modern sets, it is the story of a "fallen angel's" single-minded erotic obsession with young Tamara, even to her convent retreat.

If the music is not radically original, it manages to sound like no one else's, and includes much that is rich and strange, quite mesmerising as Alexander Anissimov conducts it.

Anatoly Lochak's suave, powerful baritone and Marina Mescheriakova's dramatic soprano rise splendidly to it, with sumptuous support from Leonid Zimnenko, Ludmilla Andrew, Alison Browner and an intense young tenor, Valery Serkin.

A truly exciting Wexford rediscovery – and one which some larger opera houses must surely copy in haste.

Valery Serkin as Prince Sinodal in 'The Demon': an intense tenor

Didy Veldman and Laurent Cavanna in 'Petite Mort': an exercise in sexual grappling using Mozart as a soundtrack

Dance/Clement Crisp

Troupe's leaden turn

The re-launched Ballet Rambert is disappointing despite a promising group of dancers

In 1966, Ballet Rambert was re-launched as a dance company inspired by the adventurous example of Nederlands Dans Theater. For 40 years, Rambert nurtured talent, but fell victim to the need to lure audiences with classical stagings of the sort we still see being touted round the regions today.

The post-1966 Rambert troupe did grand things, helping build a public for modern dance, joining with the London Contemporary Dance organisation in this missionary act. But after a quarter of a century, what had been re-named the Rambert Dance Company fell victim to declining audiences, as did LCDT. The rigorous post-Cunningham aesthetic of Richard Alston brought about his departure as Rambert's director, and curious funding policies resulted in the demise of LCDT, and the forming of a smaller contemporary troupe which is now Alston's creative home.

Meantime, Rambert was given more funds and more dancers, a strong musical ensemble was envisaged, and Christopher Bruce, long-time a Rambert star as dancer and choreographer, became the director. The re-launched Rambert company was unveiled last week. And, as in 1966, the guiding influence is that of Nederlands Dans Theater.

Bruce's choreographies have often seemed shadowed by the work of Jiri Kylian, who has shaped Nederlands' identity. There is a similar concern with the folksy and the non-specifically anxious, even the same affection for dun-coloured designs and muzzy emoting. For the "Rambert re-launch" we have a piece from Kylian, and from Ohad Naharin, who has made pieces for NDT, and of course from Bruce himself.

Watching Rambert in Edinburgh last week was like seeing NDT 4 – there being already three NDT troupes, different only in that they all look the same save in matter of the performers' age.

Be it said first of all that Bruce has assembled a magnificently promising group of dancers. Some remain from the previous ensemble; recruits include an outstanding artist in Ted Stoffer, fast, clear in rhythm and movement. But the portents in Bruce's repertory choices are less encouraging. I can see no point in baptising the troupe with Martha Clarke's *Garden of Earthly Delights*.

Miss Clarke was a member of the Pilobolus company (gymnasts passing themselves off as dancers), and this *Garden* was seen nearly a decade ago at the Edinburgh Festival. It has the audacity to claim that it is "based on" the Bosch triptych which explores the idea of heaven and hell in astounding and surreal imagery. What we are shown are crass mime scenes in which dancers lurch and posture, and interfere with three hapless musicians who provide olde-worlde tootlings and clatter. (At one moment two dancers assault a set of tubular bells. Send not to know for whom these bells toll: they toll for the staging.)

As a portrayal of medieval faith and its terrors, the piece is sexually and cloacally vulgar. As a piece of dance-theatre it is brutish. As a baptismal act it is like inviting Attila the Hun to stand as godfather. The stage is covered with movement graffiti of the dullest and most explicit kind – every bodily function highlighted – amid a cascade of that well-known medieval delicacy – the raw potato. Not Bosch but tosh.

The programme ends with Bruce's *Sergeant Early's Dream*, dating from 1984, which offers emotion, folk-song performed on stage (oh, that pitch-wary keening!), and dances, blazingly done, that bring the novel news that the peasantry had a hard time.

If this first programme might be seen as retrograde – cannot well-funded modern dance do better and more boldly than this? – the second was worrying in its implications. Rambert has acquired a strong musical identity with the involvement of London Musici under Mark Stephenson.

Yet the programme brought choreographic assaults on compositions which should not have been countenanced. Kylian's *Petite Mort* uses the adagios from Mozart's K467 and K488 piano concerti as a soundtrack for a witless exercise in sexual grappling.

The girls lurk within cut-outs of black 18th-century dresses, which are obligingly on castors and can be rolled about the stage to give us such a jolly laugh. Kylian, whose musical sensitivities have something of the chain-saw about them, proposes dull duets and a good deal of spurious "meaning" while the two adagios are played. Hell gapes.

So it does as Ohad Naharin shows 19 dancers got up as *garçons de café* (with aprons in twee fabrics), chairs, undressing, childish humour and even more tiresome dance ideas, and a touch of angst for his deleterious *Axioma 7*. The fourth Brandenburg concerto is well played while these fatuities take place: I hope Mr Stephenson and his musicians get danger money. The piece is of staggering foolishness.

The programme is completed by Bruce's new *Crossing*, which is dark, disturbed, reflecting the moods of Gorecki's grinding second string quartet.

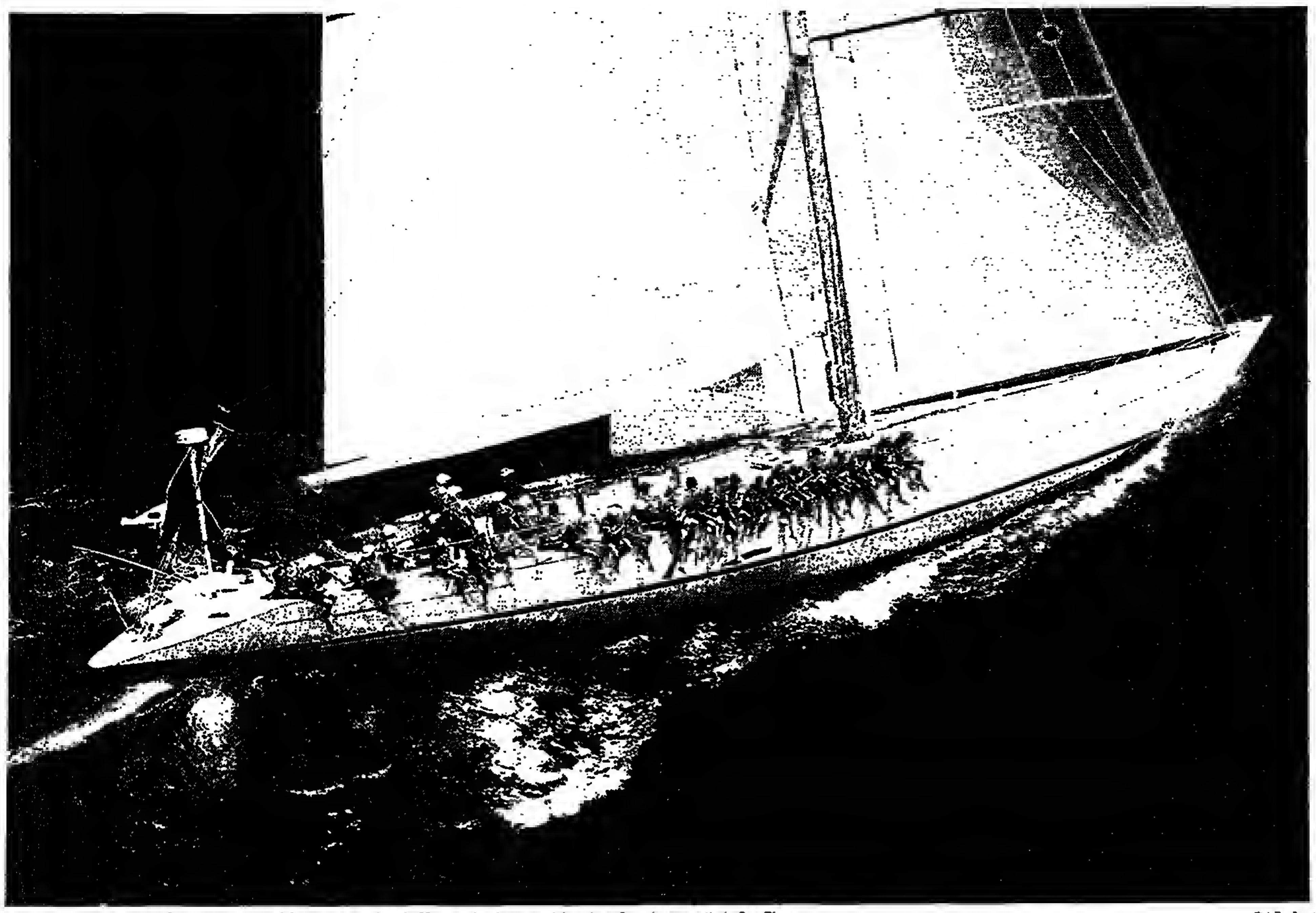
The programme-note makes oracular statements – each piece comes with a guide-book quote as a kind of early-warning system – and the dance, magnificently done (as is everything in this repertory), is richly endowed with striving and the statutory moments of consolation. I thought it looked most like a *Rite of Spring* in which no one wanted to be the Chosen Virgin.

The merits of these performances were clear to see – a superbly trained and already coherent ensemble, and notably good musical standards. The problem lies with the dancers' ability to transform choreographic lead into the gold of the theatre. Match dance to dancers and Rambert will truly be re-launched.

Rambert Dance will be at the Grand Theatre, Swansea, from November 1-5, and at the Orchard Theatre, Dartford, from November 8-12.

Chess No 1045: 1 c6! Kd5 2 Kh5! Resigns. If Bxf5 3 gxf5 Kxc6 4 Kxh6 Kd5 5 Kg7 Ke5 6 h4 Kxf5 7 h5 and queens.

SPORT



Maiden voyage: the America³ women's team training on the maxi yacht Matador for the current Americas Cup class regatta in San Diego Rick Tomlinson

Sailing

Sparring begins in San Diego

Keith Wheatley looks at the intrigue surrounding the Americas Cup regatta

There are lots of comparisons going on in San Diego right now. Men versus women. Wide against narrow. The occasion is the International America's Cup Class world championship.

Most of the teams that will compete in the Cup itself, beginning in January, have a boat entered in this "check-out" regatta, so-called because of the opportunity to check out the opposition prior to the main event.

Intense interest is focused on the all-women crew sailing the America³ yacht *Kanza*. It is the first time at this level of sailing that women have raced against men in a world-class event. Initial fears that a deficit in body strength would handicap "the Cubettes" seem to have been wrong.

"These boats aren't terribly physical. It's about talent and mind-games," said Dawn Riley, one of the afterguard and the only woman aboard *Kanza* with previous Cup experience.

Olympic gold medals and world championships abound among the other 15 crew.

America³, funded and sailed by energy billionaire and amateur yachtsman Bill Koch, walked away with the Cup in 1992. Koch admitted to having spent $70m on the programme, much of it on high-technology R&D rather than training and technique. His designers produced yachts that were long, narrow and heavy when compared to the opposition. They were also much faster.

Two of the new generation of IACC boats built since then will be racing this week; *oneAustralia* and the Japanese entry *JPN-30*. It will be fascinating to see the extent to which they have followed the hull design trend started by Koch's technical gurus but far from universally believed in by the opposition.

Koch's presence is largely a consequence of a dispute with IRS officials. His 1992 campaign was via a not-for-profit foundation which gives considerable tax benefits to the donor, in this case Koch. The IRS told Koch that his tax-breaks depended on continued involvement in the Cup. Putting women on the boat began as a snook-cocking exercise aimed at the taxman but has unintentionally proved an inspired move in terms of sponsorship and media coverage.

Papers such as USA Today, hardly known for its yachting, have been giving a great deal of coverage, consumer companies which make products for women have been keen to provide support, and the television networks cannot get enough onboard footage of the Cubettes.

Among the more traditional participants, none has attracted more attention than the Australian challenger John Bertrand, head of *oneAustralia*. Bertrand, skippering the wing-keeled *Australia II*, took the Cup away from America in 1983. It was the first victory by a challenger in 132 years, the longest home-run in international sport. Since then Bertrand has done little sailing, concentrating instead on a business career.

It may be that his business contacts helped him to put together a complete $30m sponsorship package, largely supported by Phillip Morris, while other challengers struggled in the customary financial mire. Bertrand has his first new boat racing this week, with a second being built. That is proving his undoing. *OneAustralia* has a design co-operation programme with the rival Australian campaign funded by Sydney property entrepreneur Syd Fischer. All four boats will be drawn by the same "think-tank" in which each group has shares and board members.

Every other Cup team is up in arms. They believe that this arrangement drives a winged-keel through a cost-control agreement ratified after the 1992 Cup. This limited competitors to two new hulls. Although a 75ft carbon-fibre canoe body need cost only $1m or so, the research underlying each new hull may cost 10 times that.

So, if Fischer and Bertrand are working as a single team, they might greatly increase the effectiveness of their research and build three prototypes where everyone else can build just one.

It looks certain to become a matter for the international jury convened to administer the Cup. The US courts have already become involved. If Bertrand's new boat proves fast this week, the already sharpened knives will be out and flashing.

On the defender side, the dominant figure of Dennis Conner will be on the water doing what he does best: learning everything and giving away nothing. His *Stars & Stripes 91* is the oldest boat in the class and is scarcely competitive. Yet with a new yacht due for delivery in mid-November, and talent such as Paul Cayard to augment Conner's 20 years of Cup experience, one should never underestimate him.

No one will be able to miss the Russian chartered entry from the St Petersburg Yacht Club. For reasons not yet clear the old *Il Moro I* has been repainted with a black hull and yellow decks and mast by her new crew and renamed *Vek Rossii*. Since the New Zealand challenge is choosing to miss the regatta for tactical reasons, at least there is no risk of the Ivans being mistaken for the All-Blacks.

Cricket/**Simon Hughes**

Tourists at work

A winter cricket tour – three months in the Caribbean or four travelling around Australia – sounds like an agreeable way of spending the English winter. How nice it must be to bask in the sunshine in T-shirt and shorts, warm waves lapping your ankles, beside you a cool beer and a copy of the newspaper reporting the doom and gloom back home. Occasionally you play a little sport.

Reality is not quite as easy for members of the England touring party, apart from the doom and gloom back home bit. Yes they may have island hopped round the West Indies from January through to April, then this month embarked on their 16-week tour of the Great Outback but no they have not been to any beaches or even caught a whiff of a pina colada.

Well, that is not quite true. When the team eventually left Antigua in mid-April this year at the end of a hard-fought test series, there was a day set aside for sun, sea, sand and the rest of it. "Before that," said the fast bowler Angus Fraser "all we'd seen was hotels, airports and cricket grounds. A fortnight in Jamaica may sound fantastic but it's not if you are stuck in run-down crime-ridden Kingston and more or less imprisoned in your hotel by security guards."

The 1994-95 Australian tour lasts 116 days, but only six of these (including Christmas Day), are completely free of matches, travelling or practice. There are 20 internal transfers across three time zones leaving little opportunity or energy for exploration. Most will return with no more knowledge of Australia than when they left.

Your heart is still probably not bleeding for them. But tours are much harder than they used to be because of the speed of transport and the advent of one day internationals, which are played to excess in Australia. The players do not necessarily help themselves. They are notoriously unadventurous, preferring to lounge around hotel swimming pools in their England tracksuits hoping to attract the attentions of other, preferably female guests, rather than venture further afield.

There are exceptions. Derek Pringle and David Gower disappeared off into the bush with their zoom lenses (during tours of India private jets or distinguished travel guides materialise miraculously for international cricketers) and Bruce French, tha wicketkeeper, climbed mountains.

In the main though, overseas tours are routine, neatly summed up by the title of Frances Edmonds' book about the last England tour of Australia which was called *Cricket, XXXX, Cricket*. On match days in Australia, the Sheraton hotel breakfast will be eaten in the room at 7.15am (players usually double up as much for economy as team spirit) the team bus will leave at 8.15, though Phil Tufnell usually keeps it waiting. Repetitive warm ups are scheduled for 9am (England endured 99 of these sessions during the West Indies tour) and the game starts at 10am, although one day games often begin an hour earlier. At the 6pm close of play a crate of beers is brought to the dressing room and rapidly drunk. Then the players head back to the hotel for a wash and brush-up before dinner. Most are in bed by 10pm.

During a Test the dressing room floor gradually disappears beneath the clutter of bats, boots, pads, sweaty clothes and other paraphernalia that spews out of the players' kitbags. Hauling these around continents is an ordeal. In some countries there is help. Govind has looked after the kit of teams touring India since 1949. At night he sleeps with it in the dressing room, resting his head on a pair of pads. "I haven't lost one bag in 45 years," he says proudly.

Sometimes the players are hard to keep track of. John Emburey sailed a windsurf board out to sea in the Caribbean, but could not turn it round and had to be rescued by lifeguards; Mike Gatting, captain at the time, missed the warm-ups and arrived 20 minutes after the start of a match at Melbourne in 1986 claiming his alarm had not gone off, Allan Lamb disappeared into a Queensland casino 80 miles from the Test ground; and then there was Gower's infamous impersonation of a first world war pilot.

The leading stars in any side are wont to go it alone, leaving everyone else in their wake. Younger players stick together, which on this England tour means almost everyone except Gatting (37) and Gooch (41). If that pair – Gatting has discovered fitness – keep up their habit of turning up for practice an hour before everyone else, they will be sick of the sight of each other by February.

The fringe players have the worst deal, apart from the wives, who are usually only "allowed" on tour for a couple of weeks. Once the big games have begun, the reserves trail from ground to ground with little prospect of being involved in the action, nothing but a handful of enthusiastic boys to practice with and little time off in case there are sudden injuries in the camp. It is hard work, but even so, I would rather be playing for England in Australia, than watching them on television in the British winter.

Rugby/**Derek Wyatt**

Pros crack the code

Split second of glory: Jonathan Davies stretches away from Brett Mullins to give Great Britain a winning lead against Australia at Wembley Mike Hewitt

Rugby league has overshadowed union this week, with the British Lions beating the Kangaroos in the first of three tests.

At Wembley last Saturday, the English rugby league team, with one notable exception, beat the Australian rugby league side 8-4.

The notable exception was the match winner, a Welshman, not any Welshman, but former union hero Jonathan Davies.

His try just on half time came when Great Britain had been reduced from 13 to 12 men after their captain, Shaun Edwards was sent off for a tackle so high and so dangerous that Edwards was lucky the referee did not award a penalty try. Had he done so, the match – and almost certainly the series – would have been lost.

Frequently in team sports, victory is not decided by the strategy of a brilliant coach or his equally brilliant players but by the split second action of an individual. Edwards' stupidity nearly cost his side the game.

Nearly.

Davies, at full back, and entering the line at the edge of the field, took the ball on half way, sold an old-fashioned rugby union fly-half's dummy and, because a league defence lacks the cover of the 15 a-side game, had only one defender, the fullback, Brett Mullins, to take on.

Ten metres out Davies thought he would be caught and looked for support but it had evaporated – testimony to his pace.

Davies made a split-second decision. He realised he had to find overdrive, a gear everyone else thought he had been in for the past 40m.

"Try" went up the cry and even members of the press stood to give Davies a standing ovation. The euphoria that swept Wembley could be smelt for minutes afterwards.

Great Britain's win ensures full houses at Old Trafford and Leeds. But whila the game may never have been in better spirits on the field, all is not well off it. Next year, Britain hosts the world championships. There is still no title sponsor nor for that matter any sponsor of any description.

Rugby league does not want another competition sponsored either by cigarettes (hooray) or alcohol. It wants to occupy the territory currently occupied by its arch rival, union.

There is very little chance of that.

Meanwhile, in Cardiff, rugby union finally kick-started its international season, (the Romania v Wales and Wales v Italy World Cup play-off games had been a side show). In a dismal game, Cardiff succumbed to a very ordinary South African side, now to be known, after some hesitation by the ANC government, by their old name, the Springboks.

The four home unions are gunning for South Africa. This is because they cannot face the future.

In the southern hemisphere the game has gone "open". Players are being paid, in one form or another, contrary, it is true, to the spirit of the current laws.

The game's base has moved since 1985, when the International Rugby Football Board made its momentous decisions to hold the world cup and to hold it in Australia and New Zealand.

In Australasia they knew the world of sport better. They had seen the devastating effects of the Packer circus on cricket. What has happened? New Zealand won the first world cup in 1987; Australia the second in 1991. In 1995, New Zealand, France, Australia and South Africa look the four most likely semi-finalists.

France is the one leading northern country not eager to confront South Africa over payments. This is because Jacques Fouroux, France's former captain and coach, has said he is organising a professional circus, to take place after the third world cup next year.

Fouroux has only four fixtures agreed but he does have television and sponsorship deals in place. Hardly surprisingly, the games will be played in South Africa. The only complication is that he has no players.

The home unions have lost the arguments. As Vernon Pugh, chairman of the International Rugby Football Board, put it: "The IRFB has been 10 years behind the game. This has to change".

As it is, the professional code is infinitely better as a spectator sport. The game is harder and faster. It is simpler to comprehend. Every player needs to be able to give and take a pass. The trick for each side, on the surface a simple one, is how to break down one line of defence.

Quite the best thing that has happened to the laws is that the opposing side must retire 10 metres rather than five after a tackle. It is this that has added an extra dimension to the tactical part of the game.

The *Australians* use a huge variaty of ploys. They are masters at running off the ball. They do it at such speed and with such intelligence that I would not hesitate to conclude, with two more tests yet to come, that these professionals are the finest collection of athletes I have seen in this country.

At the bi-annual IRFB meeting in Vancouver 10 days ago, the world's governing body refused to make a decision on Pugh's report on the opening up of the game.

"As I see it, what the Australian Rugby Union already has in situ, is what we need to adopt throughout the world. No payment at club level; appearance money for games played at provincial level and for our best players to be salaried," he said.

Going properly "open" would of course mean that rugby union and rugby league players could play either code at international level.

Union might try, each season, to contract every potential international player to stop them playing the other code. But, even if this was legal and I doubt that it would be, players would be able to move between the two codes.

OUTDOORS

Fishing / Tom Fort

The day we found El Dourado

To be able, on a marrow-chilling February day, to tell your chums "I'm fishing in Brazil next week" is a pleasure of rare deliciousness. To be ignobly honest, the pleasure is enhanced significantly by the expressions of envy writ large on their faces.

So there I was, in a rather natty straw hat and daft shorts, white legs and arms and neck shiny with sun cream. I was feeling pretty pleased with myself as I poured cold beer down my throat and surveyed the surging half-mile breadth of the Parana river, down near the Paraguayan border.

I had a companion on this adventure. In his field, he has something of a reputation as a fierce and combative interrogator and mangler of public figures. But I found him a jovial soul and have decided to forgive him for exposing me to ridicule in his account of our expedition. For one thing, it would be beneath my dignity; for another, he has a nice bit of trout fishing in Gloucestershire.

Before we started I did my best to demolish notions of my angling proficiency. But neither Edward, our host on the Parana, nor Jorge, our dark-skinned, gleaming-toothed boatman, would take any notice. And my companion – who, for the sake of convenience, I shall call "P" – persisted in harping on about it.

The only way to rid myself of the slur was to display thorough and constant uselessness – which I did.

We had come in pursuit of the great fish of the Parana – the dourado. I knew something about it, having read old books by Englishmen who had paid visits 70 years and more ago to do battle with it. They called it the Golden Salmon, although it does not look like a salmon at all. It is, however, a most magnificent fish: its fins, tummy and head deep gold; its broad flanks spotted with black; its wide, predator's mouth bristling with teeth.

Those Englishmen of olden days went after it with spinners, and many were the epic encounters they had in the surging currents of the colossal Parana.

I had thought, vaguely, that we would spin, too – or even fish with fly – and had brought with me rods and reels lent by Hardy Brothers which would, I hoped, suffice. But the river was 15ft above normal and mud-brown. Perforce, we had to follow local practice. This involved impaling a slippery, eel-like creature called a morenita on the hook, with a large weight above. This was then hurled upstream from the boat and zoomed downstream with the current. The theory (sound when practised efficiently) is that the bait bounces along over the rocks until seized by a rapacious dourado.

Ah, the rocks. What a multitude of those we hooked and failed to land. "P" would stand at one end of the boat, red-faced under his green baseball cap. I would be at the other, smirking at his discomfort, then cursing as I became hooked up. Between us were Jorge and Edward, grinning at our antics.

Our performance was, on the whole, pathetic. But we did catch some fish. "P" caught a piranha, which was appropriate, and some small dourado. I hooked one decent one, which took the bait with such violence that my multiplier reel over-ran and jammed. The fish got off and everyone, apart from me, laughed.

Edward, taking time off from *schadenfreude*, caught a tremendous 28-pounder which, roasted whole, made a memorable feast. It was maddening, but it was also the greatest fun. The beer, the heat, the river, and its forest, the comforts and hospitality afforded us, the companionship – all were ample consolation for the failures. But, always, the thought nagged at me: we should not be fishing this way, we should be spinning.

By the last day, the river had dropped and cleared. We trailed our baits around without joy, then headed for base. As we did so, Jorge spotted dourado slashing at the surface near the shore. I rigged up a spinning rod while he edged in towards them. Using a large copper spoon, I hooked four – and lost them all. The last, announcing itself in a great golden boil, bent my Hardy rod like a horse-shoe and broke a 20-pound line like cotton.

It was the most exciting half-hour of my fishing career, a glimpse, both tantalising and agonising, of what might have been. But if I try again, I shall know what to do. I shall go in November or December when the water should be right.

I shall take a rod capable of quelling a shark, with line to match, and copper spoons with single, extra-strength, extra-sharp hooks.

I shall, politely but firmly, wave away Jorge and his horrible, slimy morenitas. I shall, most assuredly, catch the fish of a lifetime. And I shall be very modest about it.

■ *Tom Fort's trip was arranged by Dourado Sports Fishing, 72 Glenthorne Rd, London W6 0LR, tel: 081-563 1988, fax 081-563 2230, with the help of the Brazilian airline Varig.*

Gardening / Robin Lane Fox

No excuse for a dull autumn

We hava had the most marvellous days for autumn colour: the field maples have been the most brilliant yellow in every farm hedgerow in which these easy trees are planted. I have been trying to see them in context with an outsider's eya, with this result.

For six months of the year, marooned wives, harassed weekenders, and financiers who really do want to create something more than a paper muddle, engage in a constant battle to weed their flower beds, swap round their plants and colour-plan their borders. Their aim is to grow as many flowers as possible, arranged to look like heaven on a golden evening.

They start to ease off in October, whereupon trees, shrubs and many border plants turn to colours of a brilliance which flowers cannot equal. Gardeners, though, are still fussing about the last few blooms on their roses, considering that autumn's other colours are for park-owners and farmers – but not for them.

There are excuses, of course. "How can we give up space for something which lasts for just a fortnight? Tha garden is too small. Autumn is too muddy. We have enough leaves to rake up already. The best place to see colour is in somebody else's arboretum. When we are more organised, we really must try to go to Westonbirt. Once you have seen the fall in Vermont, you do not want to bother with Sussex on a wet afternoon..."

I disagree. Once again, the agapanthi have turned a brilliant yellow while the white rose blanc double has started its third season, turning yellow to match them. Anyone with acid soil, good trees or a euonymus has added an extra fortnight to a season which flower gardens cut short.

Admittedly, you need the right euonymus. In a smallish garden, the answer is *E. alatus compactus*, the winged form with branches that will have spread only about 3ft high and wide after several years. Two or three of tham stand well against the front of a shrubbery, woodland or lightly-shaded hedge.

They turn to the most amazing shade of scarlet, equalling anything in flower, and grow steadily almost anywhere. They are cheaper and less susceptible to drought or lime than the small Japanese maples which gardeners seem to prefer. Red Cascade is a bigger alternative; it is twice as large and not so bright but set with masses of red fruit.

On acid soil, there is no excuse for a dull autumn among the declining azaleas. A few bushes of tha easy enkianthus go a long way unless you like bell-shaped flowers in a dullish white during high summer. This weekend, they are something else: a flaming mass of red which saves their reputation in a sudden finale.

Again, they are not large plants. I like to see them behind the smaller azaleas with a bush or two of the sensational disanthus behind them, perhaps to ona side. Although its flowers are negligible, this larger shrub has leaves shaped like hearts which go to the colour of deep claret and crimson in slight shade wherever an acid soil is not too dry.

Higher up, on any soil, it has to be parrotia, a Persian tree which is surprisingly lime-tolerant but likes to spread widaly. It looks superb in rough grass if two plants are spaced out in isolation: you can train the central stem into a tall leader by supporting it on a tree stake, persuading it to make height which parrotias otharwise avoid for spread. Behind it, at a distance, you can put the upright ginkgo biloba as a narrow, vertical contrast. I wish our town councils had planted this urban tree as widely as in New York or Seoul. Ginkgos turn the most brilliant shade of yellow all over those curious leaves, which look like a webbed little hand.

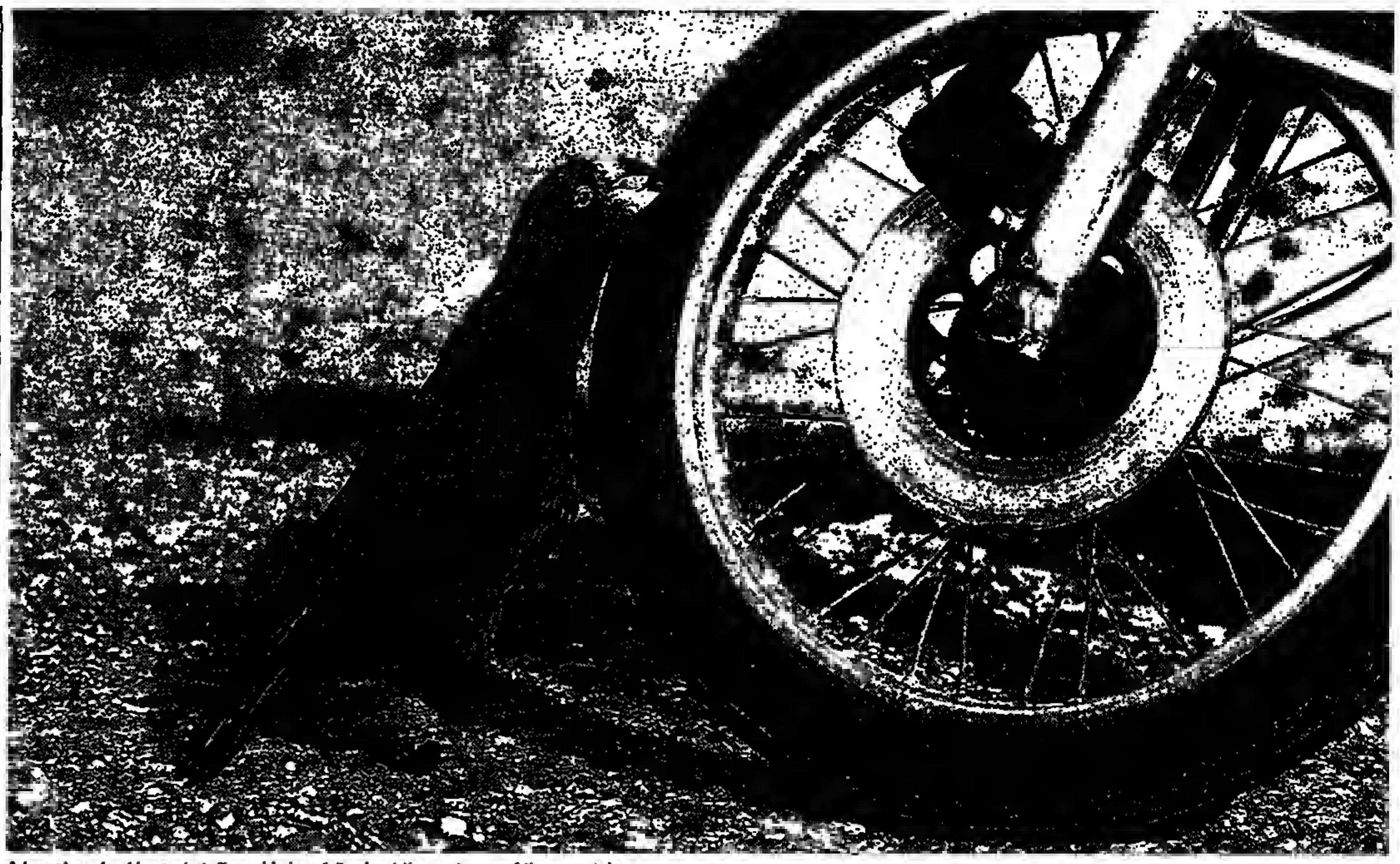
Peopla worry that they grow too slowly to be worth planting as a boundary, but I notice that one of the best sources of unusual autumn trees would disagree. The Bluebell Nursery of Blackfordby, Swadlincote, Derbyshire, lists all sorts of varieties and indicates their probable size after five years. It estimates that a ginkgo would be eight to 12ft high by then.

The supreme advantage of a ginkgo is that, although an extremely old tree, it thrives in our polluted cities.

In its place, many authorities have preferred the coarse and stiffly-shaped malus, which is now called Bonfire, or one of the more common types of flowering prunus. It is always worth considering the autumn colour when planting a prunus, or flowering cherry, but the prettiest in flower and leaf are not always the best known.

This weekend, I am being pleasantly surprised by the upright, single white Umeniko, which has such elegant leaves of a fresh, lively green and such pretty whita rounded blossom in spring. I have never known it turn such a magnificent shade of red. Its only superior is more famous for tha autumn season: another singla white of great distinction called Korean Hill.

Either of these trees would make superb specimens on the boundary or towards the back of the lawn of a smallish garden.



A kea at work: ski resort staff would cheerfully shoot these clowns of the mountains Jean-Paul Ferrero

FT Ski Expedition / Arnie Wilson

One ski in the grave – but no parrots

Arnie Wilson and Lucy Dicker are trying to ski every day of 1994 on a round-the-world trip. They are in New Zealand.

I have joined New Zealand's One Ski In The Grave Club. Although one is supposed to be 55, when I applied for membership for Nigel, my skiing chum in Hampstead, London, they made an exception for me. At 50, I am old enough to qualify as a veteran.

However after an exhilarating day's helicopter skiing in the Harris Mountains (Lucy's first full day of heli-skiing) I feel it may be some tima before both skis are entombed.

We thrived in excellent corn snow on Roller Coaster and Gold Mine Ridge and found good powder on Twin Falls.

We also landed on the spectacular Tasman Glacier to a Pilatus ski-plane. While the skiing was undemanding, the scenery – not dissimilar to the Vallée Blanche in Chamonix was superb. Bob Monro, our guide, even led us through tunnels in the huge ice-falls, and on one occasion we took off our skis and climbed into a series of tomb-like ice-caves in a huge crevasse.

Meanwhile we have become the latest victims of New Zealand's unique Alpine Parrot, the Kea. This comical bird – which waddles and hops its way around every ski area in South Island – cannot resist sinking its sharp beak into anything malleable. Ski gloves, cardboard cups, picnic leftovers, or – in our case, rubber clips on our ski-rack – the Kea will go for it.

Sometimes there is no escape. The official archives of Mount Robert recall that even in the primitive alpine lavatories, "with a large gap above tha door, the occupant would invariably be subjected to 'Charlie' Kea's beady eyes as it hung upside down from the roof. Should the door be accidentally left open, it would be seen flying off trailing a huge streamer of toilet paper."

At Porter Heights, one of these clownish birds got inside a lift operator's rucksack and ate his sandwiches while he was standing, oblivious, a few feet away. More seriously, Keas frequently gnaw their way through rubber seals on car windscreens and rip off the insulation around electrical components on ski lifts.

Many ski resort staff would cheerfully shoot them, but this would result in a hefty fine. Recently a European tourist was heavily fined for trying to smuggle Keas out of the country in tubes stuffed into his trousers. They are said to be worth £50,000 to collectors.

Motoring / Stuart Marshall

A looker with loads of style

All cars – well, almost all cars – are so good nowadays that it is perfectly sensible to choose them on their looks, size and price. There is no point worrying too much over the purely technical features: most drivers neither understand nor want to know about them.

That being so, I predict a bright future for the Vauxhall Tigra coupé (an Opel on mainland Europe). This little 2+2 is so pretty that it cannot fail to turn heads.

The Tigra is related closely to the Corsa hatchback and was seen first as a styling concept at last year's London Motor Show. The public responded so enthusiastically that, months (rather than years) later, it was rolling off the assembly line.

The Tigra goes on sale in the UK in mid-November priced at £10,995 for the 1.4-litre and £12,995 for the better-equipped 1.6. But there is little to tell them apart; even the engine size is not indicated, to please the insurance companies and keep premiums down.

The main external difference is that only the 1.6 has a standard sun-roof, larger-diameter alloy wheels with wider tyres, and body coloured bumpers. For the extra £2,000, buyers also get anti-lock brakes, twin air-bags (rather than just one for the driver), electrically-adjusted door mirrors, fog lamps, and a leather-covered steering wheel. Power steering is standard on both models.

So pretty: Vauxhall's Tigra is a smash hit with women – but turns men's heads too

Already, the Tigra has proved a smash hit with women, and Vauxhall expects a majority of buyers to be female (as they are for the Tigra's only competitor, the Honda Civic coupé, which costs £10,900 with manual gears and £11,670 as an automatic). But when my wife and I stopped our Tigra in a dusty square near Barcelona a few weeks ago it was the men who gathered round. They admired its lines, asked how fast it went, and preened with pride when I told them it was made in Spain.

So I disagree with those who take ona look at the Tigra and half-dismiss it as a "woman's car". I see it as having a similar appeal to the old British Motor Corporation's frog-eyed Sprite, although it is light years ahead of that dreadfully crude and uncomfortable two-seater of a generation ago.

Both Tigra models are entertaining to drive. Their engines combine ampla pulling power at low speeds with a willingness to spin quickly, and the five-speed gearbox has a sweet shift. There is no automatic option yet but that is on the way.

Which to buy? I would go for the 1.4. It rides better than the squatter-tyred 1.6; yet, on winding hill roads, it handled just as nimbly and securely. Outputs of the 1.4 and 1.6 engines are not all that far apart (90 compared with 106 horsepower), performance differences are fairly trivial, and either model should reward a sensible driver with at least 40mpg (7.06 l/100km).

The small boot's capacity is doubled by folding the back seats (which Vauxhall admits are really for under-12s) and head room is restricted. Parents of young children may have trouble strapping them into the back of a Tigra. (I find fixing our grandchildren's safety seats difficult enough, even into good-sized, four-door cars.)

I cannot see many Tigras being bought as sole transport for households with small children. But it must appeal strongly to men and women in their 20s – and, I suspect, to empty-nesters more than twice their age. Vauxhall's forecast of 4,000 British sales this year could be over-modest.

Please go easy on diesel, Mr Chancellor

Kenneth Clarke, Britain's Chancellor of the Exchequer, warned a year ago that excise duty on motor fuel would go up by at least 5 per cent in his next Budget – due at the end of November, *writes Stuart Marshall*. In plain English, that could means up to 18 pence a gallon – or 4p a litre.

That figure could, however, be a great deal higher – perhaps almost double. It depends how strongly the government is convinced that the best way to curb atmospheric pollution is to reduce vehicle mileages, and that the best way to achieve this is to put up fuel prices.

But would it work? Italy has some of the most expensive petrol in Europe; but if high pump prices have persuaded Italian motorists to leave their cars at home, or moderate their driving habits, it hardly shows.

The most obvious causes of exhaust pollution in big towns are lorries, buses and taxis powered by old – and often ill-maintained – diesel engines. Because most diesel cars in use are fairly new, their individual contribution to the pollution total is minute.

This is acknowledged widely by industry experts. But modern diesel cars get tarred with the same brush as the stinking old smokers.

In general, politicians seem remarkably ignorant about diesel cars. ("I know taxis have diesel engines but are there really diesel cars?" one junior minister said to me, straight-faced and quite serious, only a few years ago).

Will the diesel car get a square deal this time? I doubt it. In the past year, there has been too much ill-informed comment on diesel vehicle emissions.

All one can really hope is that things stay as they are and that the chancellor does not take fiscal steps to slow down the growth in diesel car sales. But even with the fuel taxed at the same level as unleaded petrol, we diesel car-users know we can drive at least 20 per cent further on every litre.

LONDON PROPERTY

PROPERTY

Cool and controlled: that's how to create a best cellar

***Rosalind Russell** finds demand from oenophiles remains solid*

As an object of desire it is temperamental, can suffer from alarmingly expensive ailments, and is rarely a thing of beauty. But wine-lovers are a patient breed and, to them, a cellar is to be prized, cajoled and indulged – especially as it might be protecting a considerable investment.

Since three men were jailed earlier this year for the systematic theft of £2m worth of fine wines held in bond, a private – and secure – cellar has become even more attractive. BBC *Food and Drink* television host Oz Clarke and the Marquess of Bristol were among the victims, but the ripple of shock must have rattled claret glasses across the land.

"A lot of people ask: 'Has the house got a cellar? Because we have a lot of nice wine.'" says Colin Swait, of estate agent Hamptons. "Most people seem to keep their wine under the stairs these days. But there are still those who buy wine to put down, so the cellar is an advantage."

Max Robertson would not live in a house without one. The voice of radio tennis until he retired nine years ago, Robertson lives in the Old Manor, a Grade II-listed Georgian house owned by Patricia Savill in Aldbourne, Wiltshire – which is now on the market through Savills, the agent, which is seeking offers of more than £1m.

Almost immediately after they moved in 2½ years ago, a programme of restoration was put in hand. Included was an electronic cooling system installed in the 20ft by 8ft cellar to maintain a constant temperature for his wine collection. An emergency generator provides back-up in the event of a power failure.

He points out: "If you have nice wines – and I'm not saying mine are the greatest – it is worth keeping them well." Indeed, he says a suitable cellar was a prime consideration in moving to Aldbourne – although his previous homes in the Channel Islands and Wandsworth, south-west London, both had temperature-controlled cellars.

"My present cellar can hold between 3,000 and 4,000 bottles," adds Robertson. "I don't say it *does* have that many, though – a lot has been drunk."

Apart from the obvious charm of the six-bedroomed manor, with a conservatory running the full length of the back of the house, the cellar has provoked considerabla interest. "I have to say that all the people who have come to view the house have thought it is fantastic," says Patricia Savill. "And it wasn't expensive to put in – just over £5,000." The wine racks are not included in the sale but a buyer will get an artist's studio, garden cottage, garaging for four cars and a walled rose garden.

Offers of more than £1m are being sought for the Old Manor at Aldbourne, Wiltshire. Among its attractions is a temperature-controlled wine cellar than can hold up to 4,000 bottles

Among other country houses with wine cellars now on the market is Berden Hall, which is being sold through Bidwells for £975,000. Six miles from Bishop's Stortford, Hertfordshire, it is grade II*-listed with eight bedrooms, staff cottage and flat, and just over 15 acres.

Apart from its wine cellar, it has an indoor pool, billiards room, flood-lit tennis court, squash court and stable yard. The wine cellar is next to a secondary cellar housing the boilers.

"The trouble with a lot of cellars is that people found it convenient to put their oil-fired boilers in there when central heating was installed," says Swait. "It can ruin the cellars for wine. But temperature-controlled cellars are an investment."

When the Swaits bought their own house in Surrey, it had brick barrel vaults full of empty Dom Perignon bottles. They turned their cellar into a kitchen. "Some people fill them in with rubble to cure a damp problem," he says. "To take on a cellar can be an expensive business if you have to sterilise the lot to deal with dry rot and then seal it.

"A tennis court is still a bigger attraction than a wine cellar, especially to people with daughters. A tennis court keeps them at home and stops them wandering."

Ian Homersham, joint chairman of John D. Wood, adds: "Your better London house would normally have had a cellar with bins in the basement. A lot have been destroyed because people opened up the basements and now use them."

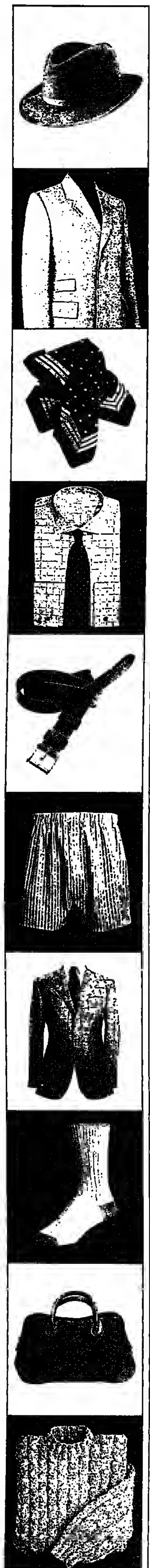
Where water tables preclude an underground wine cellar, home owners often dedicate a ground floor room as a wine store.

One family who bought a house in East Anglia planned to return such a room to everyday use as a dining room. When they picked up the keys and arrived at their new home, they found the doorbell and tha knocker had been removed. Once inside, thay realised everything else had been stripped, too. But there was a happy ending.

As Andrew Hay, of Knight Frank and Rutley, tells it: "When the family began to refurbish, they discovered the bins at ceiling height in the wine store had not been emptied. They were full of vintage claret and port. The family sold it for a fortune – enough to pay for the work."

■ The telephone number for Link Up Properties Nationwide, featured in last week's article, Matchmaker selling, is 01444-457999

For £975,000: Berden Hall, near Bishop's Stortford, also has a wine cellar



HOW TO SPEND IT

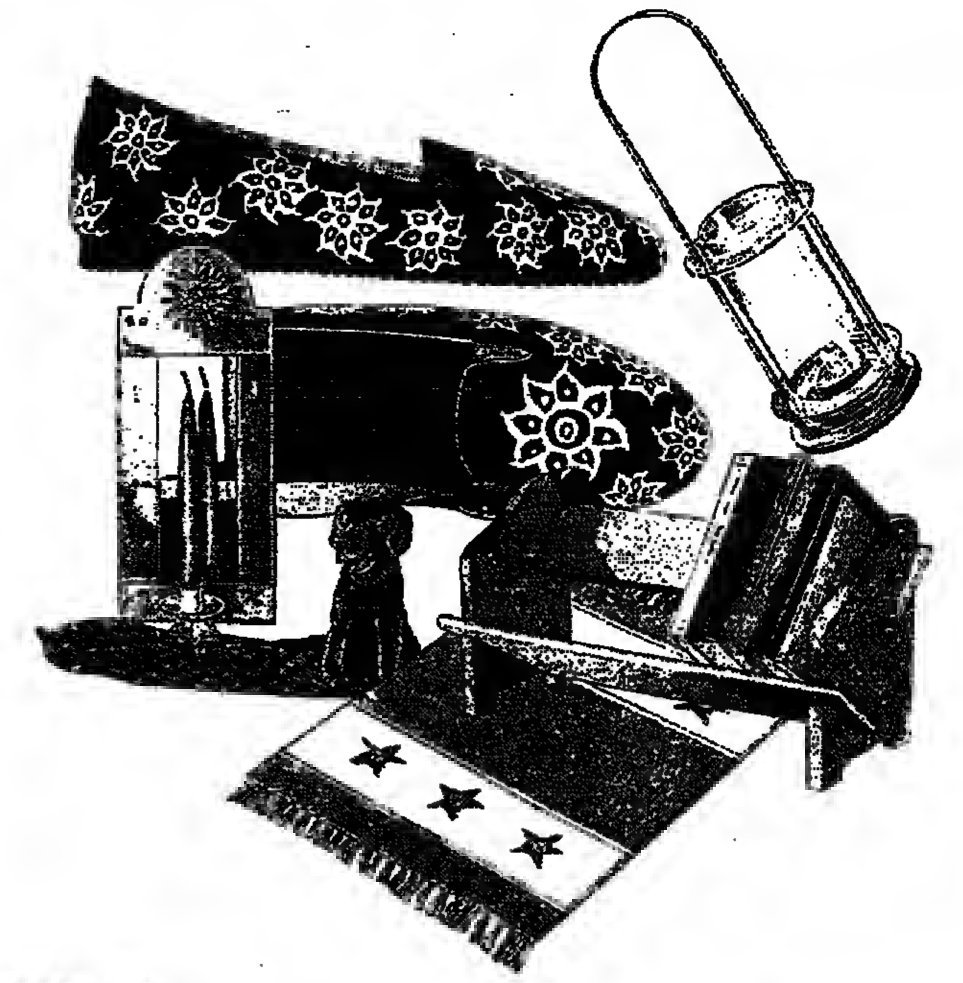
Be charitable and let the postman be your Father Christmas

Christmas is coming. The mailbag's growing fat. ***Lucia van der Post*** *picks the seasonal gift catalogues that serve a good cause and selects some of the most attractive and interesting gifts*

When the piles of Christmas catalogues arriving on my desk and doormat reaches mountainous proportions then I give in ... Christmas is coming and nothing short of Armageddon will stop it. So for those who believe in planning Christmas rather as Rommel might have approached the desert campaign, it is once again time to get out the catalogues, to think of one's nearest and dearest, to start the lists.

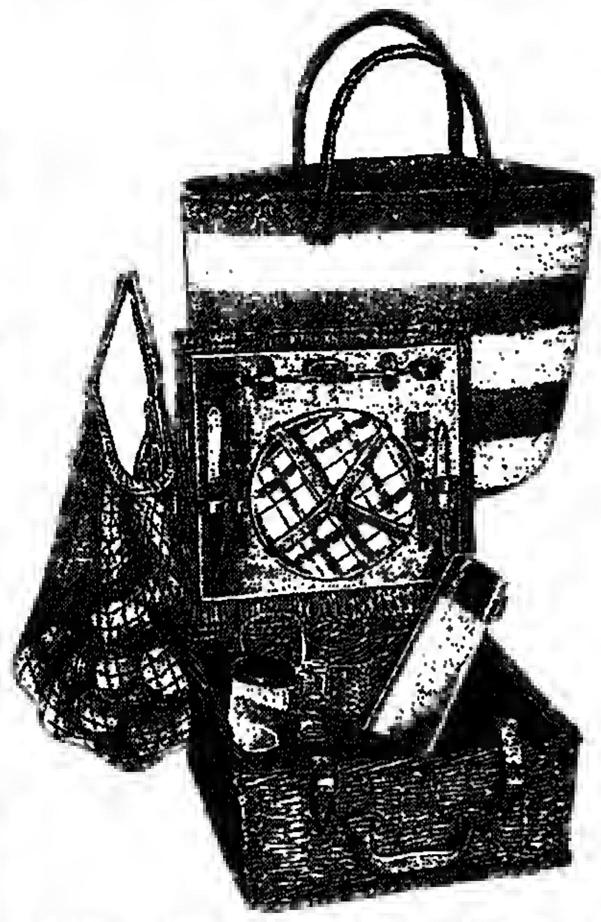
The catalogues whose proceeds go to support charities are as good a place as any to start – they may be short on expensive knick-knackery and truly sumptuous luxury but they nevertheless offer a multitude of cheerful presents that do not cost a fortune. From the most remote relation who needs just a token acknowledgement that the season of goodwill has arrived to the very best-loved there ought to be something in them for almost everybody. If nothing else, all of them offer the statutory selection of Christmas cards and holly-bedecked paper.

Here then is a run-down of some of the catalogues on offer.

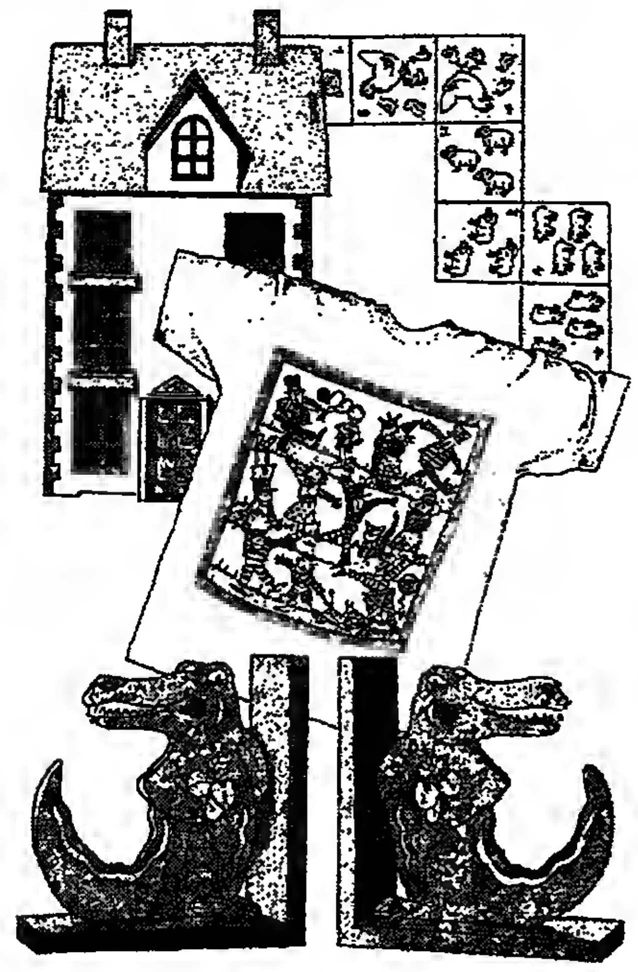


Illustrations: Ashley Lloyd

Clockwise from top left: Brown velvet embroidered slip-ons, £29.95 from Traidcraft's Alternatives catalogue; Glass candle holder, windproof, £7.99 from Help The Aged; Carved wooden bookshelf from Saharanpur, India, £9.95, Oxfam; 100 per cent cotton chenille rug in pale blue and white, £13.99 from British Red Cross; Facsimile of a 19th century Labrador draught excluder, £39.95, National Trust for Scotland; Brass wall sconce with mirror and candlestick, £14.99, Notting Hill Housing Trust.



Top: naturally dyed beige and blue/grey striped carry-all with leather handles, £19.95, from Traidcraft's Alternatives.
Bottom: fitted willow picnic basket for two, £110, National Trust for Scotland.
Left: eco-friendly carrier-bag, made from string, £3.99, from WWF.



Clockwise from top left: 3ft high six-roomed doll's house made from recycled cardboard, £14.95, Oxfam; 28 wooden animal dominoes, £2.99, NSPCC; Children's playtime T-shirt, £8.95, Shelter; Brightly-painted crocodile bookends from Sri Lanka, £8.95, WaterAid.

Clockwise from top left: Black cast-iron duck bootscraper, £9.99 from British Red Cross; AM/FM radio with stereo earphone, solar-powered, £42.50, WWF; Charles Rennie Mackintosh inspired silver cufflinks, £31.75, National Trust for Scotland; Handmade photograph album, 25 pages all interleaved with protective paper, £12.95 from WaterAid; Plain white mugs with elegant drawings of Charles Rennie Mackintosh chairs, £11.50 the pair, National Trust for Scotland.

■ **Oxfam. Oxfam Trading, PO Box 72, Bicester, Oxon OX6 7LT. Tel: 0869-245011.**
Perhaps the grandaddy of them all – the company that first promoted the notion of fair trade, of helping poorer countries by buying their products rather than handing over money. From rug-makers in Mexico to printers in Ahmedabad and batik artists in Indonesia, buying their wares will keep them in work. The slant is, of course, ethnic but that is the catalogue's charm. Brightly coloured waistcoats from Guatemala, cotton rugs from India, jewellery from Chile... most of the products are brightly-coloured, cheerful if short on sophistication. Prices are excellent – a pretty mirror-worked wall-tidy for £7.95, soapstone solitaire set from Kenya for £9.95 and some enchanting Loro Blonyo figures from Indonesia (usually given at weddings) for £59.90.

■ **WWF, PO Box 49, Burton-on-Trent. Tel: 0283-506105.**
Nice fat catalogue with the profits going to what Robin Pellew, its director, describes as the "business of saving wildlife". Not surprisingly, many of the products have an animal theme – needlework cushion covers featuring leopards (£39.99), wooden tortoise bookends (£19.99), plenty of animal Christmas cards, a beautiful crystal bowl with a school of dolphins sand-blasted round the edge (£79.99) and a tough coir doormat featuring a panda (£14.99). Also, for more everyday use, some beautifully plain, simple and fine clothing – a creamy cotton and linen sweater (£51.99) and creamy cotton T-shirts and nightshirts.

■ **Help the Aged, PO Box 28, London N18 3HG. Tel: 081-803 6861.**
Hot water bottle covers, floral-bedecked bags to hold knitting, door guard alarms, lightweight gardening shears, foot-relaxers, folding walking sticks and an alarmingly large "pill organiser" are the kind of presents that Help the Aged feels might enliven the scene around the Christmas tree. The emphasis is on the useful rather than the charming or the beguiling. Nevertheless, there can hardly be anybody who could not use at least one of their handy gadgets. I rather fancy the moonlight lamp myself (£12.99, it runs off batteries and is just what one needs for reading when camping in the bush).

■ **British Red Cross, Britcross Ltd, PO Box 28, Burton-on-Trent, Staffs. DE14 3LQ. Tel: 0283-506767.**
From the most deliciously kitsch brightly-coloured tulip doorstop (£9.99) to a Fleur-de-Lys throwover (excellent value at £24.99), wooden bookends embellished with carved apples (£17.95) and warm furry-lined suede slippers (£12.99), this is a small catalogue to help the charity that "cares for people in crisis... whether...in Bosnia or Bolton, Somalia or Sheffield". Not the biggest or the best but enough to choose from.

■ **The National Trust for Scotland, 5 Charlotte Square, Edinburgh EH2 4DU. Tel: 031-243 9399.**
Some unusual presents here – a ready-to-sew hat kit, for instance, at £15.95, and a sturdy wooden Victoria garden tray (£32.25). Then there is a charming travelling games compendium (backgammon, chess, checkers, two packs of cards, dominoes and dice in a little black box for £22.95), some silver-plated spoons for butter (with a cow on top), paté (topped by a fish), mustard (with a mustard pot) and honey (with a bee) all at £8.50 each and some useful tartan picnic rugs (£49.50).

The gifts range from coffee to cassette racks to Thai ear-rings

■ **NSPCC Trading Company, PO Box 39, Burton on Trent, Staffs. DE14 3LQ. Tel: 0800-444280.**
As is only right and proper for a charity devoted to the welfare of children, this one has more for the small set than most – fun watches (water-resistant with funnyman figures, £14.99), a beginner's microscope (£12.99), friendly soldiers laundry bag (£6.99), wooden puzzles and construction sets. There is quite a lot of choice, too, for the grown-ups – an enchanting Peruvian Dancer's hairslide (£5.99), virginal white cotton nightdress with pin-tucks and white embroidery (£27.95), cassette carriers (a staple of charity Christmas card catalogues), candlesticks (plain blue glass at £5.99 each or verdigris-finished ones at £23.99).

■ **Shelter, 88 Old Street, London EC1V 9HU. Tel: 0983-821303.**
Not so much a brochure, more a pamphlet with not a lot of choice but some nice things nevertheless – cone-shaped candles and beeswax ones (a very "in" present), wooden puzzles for small children (housing jigsaw, £6.75, and elephant jigsaw, £6.75), good notebooks and stationery.

■ **WaterAid Trading, PO Box 10, Gateshead NE8 1LL. tel: 091-487 0399.**
Another charity that goes in for just a folded pamphlet and not a full-scale catalogue but it has some nice things on offer – sturdy sisal carriers (£19.95), high-quality ground coffee from Cafédirect, the company that insists on paying fair prices for the beans, silver ear-rings from Thailand (£3.25) and notebooks made from paper made from jute fibres (think of all the trees you're saving).

■ **Notting Hill Housing Trust, Mail Order, Notting Hill Housing Trust Shops, Aspen House, 1 Gayford Rd, London W12 9BY. Tel: 081-563 4888.**
Another pamphlet with a limited but excellent selection – blue or jade green glass pudding dishes at £3.99 each, thick blue and white throw, embellished with gold sea motifs (£59.99), metal verdigris-finished coat rack with fish motif (£14.99), naif, Colonial-style navy-blue and white cotton rug (£6.99) and lots of candlesticks.

■ **Traidcraft, Kingsway North, Gateshead, Tyne and Wear, NE11 ONE. Tel: 091-491 0591.**
Traidcraft has a whole series of catalogues – Interiors; Alternatives (primarily fashion); Paper and Cards; Foods, Teas, Coffees and Tissues and Christmas Cards and Gifts. All are based on the idea of "combining the skills of 'third world' producers with a concern that these craftspeopla get a fair deal from international trading". They are mostly all-year-round catalogues but you could find something for everybody by trawling through all these catalogues. Here we have sketched some sweet brown velvet slippers embroidered with gold stars at just £29.95 a pair as well as a naturally dyed sisal carry-all (£19.95) but there is lots, lots more.

Happy shopping!

FOOD AND DRINK

Cooking/**Philippa Davenport**

The oyster's in the post

Today's brightest shopkeepers do not wait for customers to come to the high street – they go out and knock at their doors. They have discovered that sending catalogues and offering a mail order home delivery service can be e most effective way of increasing business.

Kitchenwere merchent David Mellor is one of the latest recruits to this wey of thinking. He has always been happy to send items to customers by post, but this month sees the launch of his first mail order catalogue for cooks. Very enticing it is, too.

Others keeping up with the times include Franco and Alberto Camisa. Heving sold specialist foods in Soho, central London, since 1929, they now aim to sell nationwide via Camisa Direct. Their first catalogue sports some obvious gift items and some very un-Italian oddities, bnt it also includes goodies worth putting in the larder for winter comfort.

There are, for instance, whole San Felino salami and little nihbly cacciatori salami; stuffed pigs' trotters; capers packed in salt; baskets of dried porcini; arborio, carnaroll and vialone nano rice; soft amaretti from Alba; and dried figs from Calabria, stuffed with walnuts and dipped in chocolate.

■ For those without a fishmonger in miles – a problem that seems to afflict vast tracts of Britain these days – Carew Oysters of Pembrokeshire, Wales, is one of several companies now farming and dispatching the Pacific variety to private customers and restaurants all over the country.

So far as I know, however, Carew is alone in offering a "delivar and open service" where, if you plan a large party and want to splash out, a professional will bring the shellfish and open them personally.

■ Many people hete the thought of eating beef from cattle stuffed full of growth hormones or other indiscriminate medication. But farmers growing cattle the slow, traditional way on grass and hay only are on the increase.

Newest to me is Richard Vines, of Wild Beef. He raises his animals – mainly Welsh Black and South Devon, occasionally Aberdeen Angus, Hereford and Galloway – on Devon moorland and has them slaughtered locally hy appointment for minimum stress. They are hung properly and well-butchered.

Since Wild Beef is essentially a one-man operation, Vines' service can be more personal than most. Sometimes, he will deliver the meat direct to the individual customer, depending on whether this works in with his timetable for restaurant dellveries in tha same area. Otherwise, it arrives hy overnight courier.

Wild Beef sells not only prime cuts and mince but also skirt, shin, oxtail, tongue, kidneys, liver and heart – items offered only rarely hy outlets of this sort.

■ Those with a sense of adventure will relish news of the Conl Chile Company. Owner Dodie Miller is dedicated to promoting chillies as more than just volcanic spices – and she is quietly persuasive.

Mexico State University recognises more than 1,000 varieties and Miller sells a splendid selection, each variety dried and labelled with a heat scale warning. They are eccompanied hy enthusiastic notes ebout uses and suggested recipe ideas.

Under her tultion, I tried a few choice samples, ranging from fruity mild to positively breathtaking. But even those cooks afraid to experiment with chillies will delight in the colours and shapes of some of them.

■ If you fancy becoming a food producer – albeit just for your own needs – you might like to consider huying e do-it-yourself shitake mushroom grower's kit imported from Finland hy ESC.

This consists of a small, spore-impregnated log packed in its own little Perspex greenhouse environment. Expected yield is a kilo of shitake mushrooms spread over four crops. No green fingers are needed.

J. Sainshury, meanwhile, has just started to sell fresh wild girolles and grey chanterelles. Ceps (porcini), pieds de mouton and trompettes des morts will follow shortly, and morels will be introduced in the spring.

The bad news is that – initially, at least – just seven stores in London (Camden, Chiswick, Cromwell Road, Dulwich, Fulham, Ladbroke Grove and Hampton St Claires) and one in Southampton (Hedge End) are to stock them.

■ *David Mellor Mail Order: 4 Sloane Square, London SW1W 8EE. Tel: 071-730 4259, fax: 730 7240; Camisa Direct, PO Box 31, Borehamwood, Herts WD6 3TF. Tel: 0181-207 5919, fax: 905 1238; Carew Oyster Farm, West Williamston, nr Carew, Kilgetty, Pembrokeshire SA68 0TN. Tel: 0646-651452; Wild Beef, Hillhead Farm, Chagford, Devon TQ13 8DY. Tel/fax: 0647-433433; The Cool Chile Co, PO Box 5702, London W10 6WE. Tel: 0973-311 714; ESC (UK), 9 Crescent Rd, Wokingham, Berks RG11 2DB. Tel: 0734-893097; fax: 890906.*

A quick byte: modern diners' orders are tapped into a Remanco hand-held computer and transmitted at once to the kitchen. Ashley Ashwood

Chips with everything

New technology is transforming the traditional kitchen, writes ***Nicholas Lander***

Scene 1: A London restaurant. The customer gives his order to the waitress who enters it on e hand-held computer. Thirty seconds later the customer changes his mind but the waitress replies "I'm sorry, sir, the order is already in the kitchen."

Scene 2: Late at night in the chef's office. Having placed all his orders for tomorrow's deliveries by fax, the chef sits down to finalise plans for a specIal gastronomic dinner. He plugs into CompuServe and seeks advice on recipes from fellow chefs around the world.

Scene 3: takes place wherever food and wine lovers have a computer and electronic mail. Looking for the most romantic restaurant in St Louis? Want to trade some Château Margaux? Forgotten tha name of that wonderful Australian Pinot Noir you drank recently and need to find a retailer? The world of food and wine, always international, has gone electronic.

Until the lato 1980s most restaurants could not justify such investment. Computers were introduced slowly and proved themselves by legibly transmitting recipes around the kitchen. Then came fax machines to make ordering from suppliers easier (it is always worth taking a restaurant's fax number to confirm that important lunch).

But the need to cut labour costs, maximise efficiency, monitor stock controls and improve accounting information has changed all that. Now even the Ritz's dining room, possihly London's most elegant, boasts an electronic point-of-sale terminal, albeit neatly encased in marble.

One restaurant made possihle by today's technology is Wagamama, WC1 (tel: 071-680 9365). This basement restaurant serves the most interesting inexpensive Japanese food in town and takes no bookings. It seats 104 but feeds 1,200 customers a day.

It manages to do so because when it opened in 1992 it paid £25,000 for a Remanco ordering system (today's far more advanced version costs £15,000). These begin with the electronic order pad (they cost £990 each) which can be programmed with everything a restaurant can offer – size of steak, how it should be cooked, even whether ths customer qualifies for an incentive scheme such as a happy hour.

When the order is complete, the waitress presses the "send" hutton and the order is transmitted hy radio signals to a computer which stores all the information, backs it up and sends the separate elements to the various sections of tbe kitchen. Seconds later the order is printed out. At Wagamama small strips of peper spew out at the bar, noodle station, wok station and the station that prepares the side orders. The chefs pick these up and get to work.

The advantage is not just speed of service but accuracy. Fewer specialist order takers have to be trained and there is a much lower risk of customers being served with a dish they did not order or being charged for eomething they never received.

The system can fail. Twice in the past hectic 30 months Wagamama's system has gone down and the restaurant has had to resort to pen and paper. It is linked by modem to Remanco's headquarters so that a failure can be tracked down and corrected remotely. More fundamental are human oversights. One kitchen thought lunch was quiet when et 1.15pm it was still waiting for its first order. The printer had run out of paper.

This type of electronic ordering generates huge amounts of management information: how mucb money each seat generates, bow many customers eacb waiter serves, a breekdown of all the dishes sold and wbether new disbes on the menn sell or not.

And it is flexible. At Wagamama the philosophy is to deliver as quickly as possible and keep turning the tables. At other restaurants which want their staff to try and maximise a customer's spend, known in the trade as "upselling", other ploys are introduced. When the walter asks the console for the bill it responds "Have you offered cigars and liqueurs?" At Rules, WC2, (071-836 5314) the chef can communicate to all the waiting staff just how many grouse, partridge or pheasant, are left and save the embarrassment of having to ask the customer for a reorder.

One wonderful piece of technology I saw In actlon In the US over the summer was shown for the first time in the UK at this week's Restaurant Show. It is the Silent Paging System. When you arrive at a restaurant and find either that there is no table or your table is not ready, the receptionist hands you a small disc which you put in your pocket. When your table is clear the waiter sends a radio signal to the receptionist and she in turn presses a button which starts the disc vibrating in your pocket. Having enjoyed a short stroll, a drink in the bar or done some shopping, you walk back to find your table ready and waiting.

Read the menu in cyber space

If your soufflé will noi rise, someone in cyberspace can help.

The Internet, the global computer network, lets you link np with people of tbe same interests, via mailing lists or news groups. You send a message to sign np and receive the news and opinions of other members of the group.

"Foodwine" is one of the two mein lists for gourmets. "The purpose is for serious, bnt not pedantic, discussion nf food, beverages and related concerns," say Elliott Parker and Musa Knickerbocker who run the list from Central Michigan University. "Consider the list as a discussion around a very large table among people who like to discuss food: the talk may become passionate and even off-topic sometimes, bnt always returns tn the topic."

When I dropped in, a discussion of Zinfandel wines was in progress.

Another list is the "eat-l", where everyone airs their views on bow this or that dish shonld be cooked. Rachel Karan in Alaska was having problems with her chicken sonp which was too salty. Suggestions poured in: add canned broth, gihlets and so on. Lars Larsen from Sonderberg, Denmark offered 2,000 words on chutney recipes and then 7,000 on cranberry dishes.

In cyberspace yon never really know whether the advice is from an expert or a well-meaning neophyte. So on "rec.food.restaurants" e posting of "I'm off to Greedy Gulch next week. Where can I get soma decent food?" will elicit replies from opinionated locals with wbom you cannot remonstrate if their recommendation turns ont to be a greasy spoon.

The list tends to be US-dominated. Asked to recommend somewhere in Sobo, London, Glen Poorman from Michigan suggested Wong Kei, a Chinese restaurant better known for sbovelling customers In and mut quickly than for its chow mein. "Packed house, incredibly rude waiters and low prices," enthused Glen, "but awesome food!"

Nick Lander

Wine/**Edmund Penning-Rowsell**

A great vintage rained off

During the summer in the Bordeaux region conditions were perfect if not for yet another "Vintage of the Century" at least for the production of one of the vintages of the decade.

The vine flowering at the end of May was early and swift, elthough the outcome was on the small side. But it was quality not quantity that was urgently looked for.

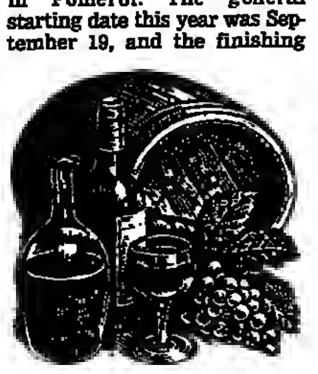
June was cool, but July with e little rain, and August were relentlessly hot, especially in the first 10 days of August. The last three weeks enjoyed heat-wave temperatures of 28-29°C (82-84°F) with occasional storms: perfect for the month that traditionally "makes the flavour".

The *veraison* (when the grapes change colour) in the first 10 days was unusually early. The hunches were smaller than last year, but the grapes were higger.

Haut-Brion picked its very special white grapes on August 31 and started its reds on September 10 – one day after the Ban de Vendange that officially permits the red wine picking to begin. A first-growth director said he was going to make "a superb 1994".

Everything was fina until September 7 when some not very significant rain fell, but fate struck on September 12, and it rained for the next four days, washing away the prospects of e great vintage.

The dates for picking varied according to local conditions. This is the largest fine-wine area in the world. It may be raining in Pauillac hut sunny in Pomerol. The general starting date this year was September 19, and the finishing date September 29.



Among tbe leaders Château Margaux picked from September 14-28, with Cheval-Blanc in St Emilion from Septamber 16-30, Vieux-Château Certan in Pomerol from September 12-24, Pichon-Lalanda in Pauillac from September 17-28 but had to speed up as the ripe grapes were falling off the vines while Mouton-Rothschild hegan on September 19, stopped owing to rain on September 22, and restarted on the 28th with 800 pickers to finish on October 1.

So what are the likely results? The dry whito Graves picked before the heavy rains in the first week of tbe month made excellent wines, but very small in quantity. The Sauternes and Barsacs that waited until the end of the month, and completed picking in the first 10 days of October made successful wines, but those that did not delay suffered badly.

For the reds, only a provisional assessment is possihle before the vets are emptied after the fermentation. However the general view is that the 1994s are better than the 1993s, whose reputation has been steadily rising, and whose prices probably will.

Colours are deeper, the grapes are riper and the alcoholic degrees higher. I sampled a variety of wines, mostly Merlot, that had finished their fermentation and was impressed by their colour and sweetness. It is a Merlot year because picking is usually earlier on the right bank of St Emilion and in Pomerol. Professor Ribereau-Gayon, head of the Oanological Instituta of Bordeaux University has been quoted as saying that tha Merlots are "homogenous". The laggards are usually the Cabernet Sauvignons, hut owing to the exceptional summer a good many were ripe et the same time as the Merlots. The vintage has been compared with '88 hut with softer tannins.

What about likely prices? If it had been the predicted great vintage they would have rocketed for the internationally known "names". Moreover with fine wines short on the Bordeaux market tha châteaux have heen very successfully selling their stocks hald up by several recession years. Haut-Brion '89, considered the finest first growth of the vintage, currently sells on the Bourse for FFr600 (£72) (a hottle, duty paid, has a dellvered price of about £110 in the UK). Latour Margaux and Montrose '90 are unohtainable there. The leading seconds are around FFr150. The 1993 firsts opened et FFr155 a bottle, the next rank at FFr60-70, and a general view is that the 1994s will start at 10 per cent higher, hut not more if they expect to sell a substantial portion of their crop. The crop is smaller than last year.

Meanwhile, what should one look to buy in the near future? The '93s will be in bottle next spring. They have good colour and when carefully selected originally, have a good deal of body and character: much more than the '92s. Nevertheless in two or three years these relativaly inexpensive wines from reliable sources may make agreeable introductory or "luncheon clarets" for moderate meals.

I was agreeably surprised with those left-bank '91 wines which had survived that year's terrible April frosts. They have engaging bouquets and fruity bodies; not expensive but must be carefully chosen and bought only from merchants who specialise in fine claret.

FASHION

Chic piqué with a couture touch by John Galliano

A feel for the rhythm

***Avril Groom** on how the catwalk designs make their way into the real world*

If you were an indefatigable fashion-watcher you could have sat through more than 150 shows in the three cities – Milan, London and Paris – which have so far held their spring collections.

If, that is, you could put up with the long waits for tha shows to start, the rude security men, the hassle of evicting interlopers from your seat and, at Vivienne Westwood's show in Paris, the stampede of uninvited students who stormed the barricades. And today, you would be starting another week's onslaught in New York.

You would, if you were a top buyer, be trying to make sense of this maelstrom of creative input knowing that your decision to back certain trends could directly affect both your company's profits and your career.

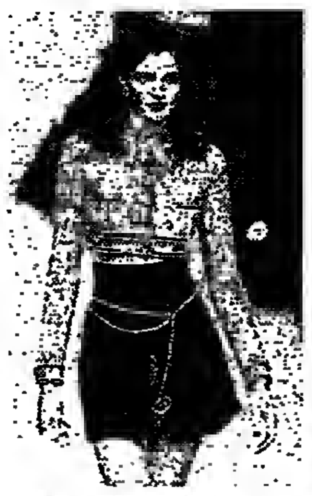
Attuned to the deeper rhythms of fashion, the buyer tries to pinpoint what will be significant in "real life" while bearing in mind those first news-page images which can alter current dress almost instantly.

Buyers normally go to the shows of the designers their stores support, plus those they might in future. They are, one reminded me, "invited to press shows out of courtesy. Our real work is done at the showroom where all the catwalk fantasy is stripped away".

They rely to some extent on the independents, who are one step further back in the fashion chain, and who offer buyers advice.

Journalists on trade magazines or consultants to stores begin their forecasting at least six months ahead of the shows, by going to the fabric exhibitions where the designers themselves seek inspiration. By the time of the shows they already bave an idea which way the fashion wind is blowing and can put designer fantasies into commercial context.

We asked experts for their views on the spring look and its significance to the ordinary woman's wardrobe, and to suggest autumn buys for an instant update. Real life may, as one of them points out, "move more slowly than the fashion world thinks, always a season behind the shows", but a consensus emerges from the welter of ideas despite widely varying interpretations.


Chanel: modern glamour


Gaultier: denim Victorian corset


Yamamoto: kimono in firey red


Lacroix: sequin stripes, high gloss

That overworked word "glamour" best describes the image of fashion's inevitable swing away from the years of increasing casnalness which culminated in deconstruction and grunge. But within the context of glamour – which essentially means more care over hair, make-up, choice of accessories and cut – it is proportion and fabric which count.

Skirt length is a non-issue, as Karl Lagerfeld pointedly illustrated in his three collections. His own label and Chloe included on-knee and calf-lengths, while Chanel was resolutely short because that is what its customers demand.

So choose what suits you and proportion jacket and shoes accordingly. Knee-length looks freshest with a heeled shoe but this need not be a towering stiletto.

The much-hyped retro look can also be moulded to suit you. Skilful old-fashioned tailoring is back, with the hourglass silhouette of narrow, sharply-defined shoulders and emphasised hips that Vivienne Westwood foresaw with last season's "bustles".

It reaches its apogee in highly-mannered, perfectly-cut costumes, complete with 1950s accessories, from new British Designer of the Year John Galliano, who seems determined to put the "haute" back into couture.

But the best collections, sucb as Westwood, Gaultier, Versace, Dries van Noten and Ann Demeulemeester, use historical elements and make them look modern. Jean Paul Gaultier, often a creative catalyst, gave a lesson in individualisation by taking shapes from every decade of the century and Gaultier-ising them with his signature fabrics and cut.

Shock-value transparency and high-shine fabrics are his statement on the 1990s and how right he is.

High-tech fahrics, powered on by plastic at Helmut Lang and paillettes at Lacroix and Montana, are indicative but the real-wardrobe versions will be sateen, glazed linen or Cbanel's cellophane braid rather than vinyl.

Betty Jackson's white satin zoot suit or Jil Sander's skinny rock-chick trouser suit in deep iridescent nylon have believable modern glamour.

As one of our experts, Vanessa de Lisle, points out, "women need not be frightened of modern nylon. It looks and feels sophisticated."

For a link between catwalk creativity and commercial nous, old masters such as Yves St Laurent and Valeutino repay attention. They take advanced themes and cleverly detune them into pretty wearability.

One strand of fashion seems destined to remain on the magazine page rather than the clothes rail. An undercurrent of violence has succeeded the ugliness which shocked observers last season – Alexander McQueen's trussed-chicken polythene dresses and tyre-track printed suits, Rifat Ozbek's fencing jackets with red slashes and jewelled hlood drops, Lagerfeld's restrictive patent corselets, even Galliano's beautiful hut unhealthily pampered girls in gilded cages – all are suspect images to today's independent woman. They are designed by men.

At least Westwood's women, for all their over-emphasised curves and silly high-heeled shoes, appear in control of their lives.

The experts recommend . . .

Vanessa de Lisle, consultant to House of Fraser stores former fashion editor of both Harper's and Vogue magazines and consultant to Harrods:

■ SPRING THEMES: colour – with black, with white and black with white. Subtle reds, through to lavender or ochre at either end of the spectrum. Soft, greyed pastels. The dress as the new basic, versatile under a small cardigan or over a T-shirt. Higb-sbine, bigb-tech fabrics – nylon and stretch, glazed finishes, sateen. Kimonos – the calm antidote to hard glamour.

■ BEST COLLECTIONS: Mariot Chanet's sophisticated wrap shapes and cut, Yohji Yamamoto's inspiring kimonos and fabric mixes, Westwood's tailored glamour, Galliano's bias-cutting, Workers for Freedom's reds, Betty Jackson and Sonnentag Mulligan for modernity.

■ AUTUMN BUYS: knee-length tailored black dress in crêpe or jersey (Episode's high-waisted cap-sleeved style, £119), black satin jacket (Whistles, £265), high-heeled, point-toe, delicate sboes (Stephane Kélian one-bar, £150, in cream, navy, brown or black nubnck and black patent; Sbelly's stiletto court, £34.99, or one-bar, £39.99).

Mary Gallagher, consultant to Harvey Nichols, Paris editor of American Marie Claire magazine, ex-fashion editor of British Marie Claire.

■ SPRING THEMES: Pastels to refresh black. Touches of brilliant colour with pastels. Flesh and pale peach shades. High-tech fabrics – knits, sophisticated man-mades. Tailoring – high-bnttoned, single-breasted retro or men's frock-coat style, or sharp-cut tuxedo. Just-above-knee dresses.

■ BEST COLLECTIONS: Jil Sander's glamorous high-tech. Ferretti or Prada's dresses, Dries van Noten and Ann Demenlemeester's mix of retro and modern, Sonia Rykiel's knits, Galliano's sbeer beauty.

■ AUTUMN BUYS: black, fitted, day-into-night dress (crêpe, short sleeves with three velvet bows by Monix, £69.95 from Fenwick), thin black patent belt (Otto Glanz, £16.95 from Fenwick and Harvey Nichols), tiny black patent rncksack (Bill Amberg, £75 from Harvey Nichols, Space NK), old-looking diamante or crystal for day (Erickson Beamon, £55 at Harrods, Fenwick, Liberty, Van Peterson or Fenwick own-label from £9.95).

Rebecca Lowthorpe, ex-model, and Andrew Tucker, reporters for trade magazine Draper's Record.

■ SPRING THEMES: bright colour, notably orange, as an accent. Pastel and huttery shades. White, but not next to the face. Retro prints. Shiny and transparent fabrics – satin, nylon. Period shapes – hourglass or high-bntton frockcoat silhonettes. Cinched waists – belts and trenchcoats. A-line dresses with horseshoe or halter necks. Eastern inflnences – kimonos and cheongsams.

■ BEST COLLECTIONS: Rifat Ozbek and Orson and Bodil for clean modernity, Lagerfeld and Ann Demeulemeester for updated retro, Helmnt Lang for innovative fabrics.

■ AUTUMN BUYS: a short, neat, jacket à la Chanel (black wool with velvet trim, £189 from Episode), flat-fronted trousers (charcoal wool witb turn-ups, Sportmax, £115), dusty pastel small twinset (£94.98 from French Connection and Fenwick), black, shiny, fluted on-knee skirt (Fabio Piras from Whistles, £135).

TELEVISION

SATURDAY

BBC1

7.00 Lassie. 7.25 News. 7.30 Pingu. 7.35 Happy Birthday. 7.45 Marlene Marlowe Investigates. 8.05 Albert the Fifth Musketeer. 8.30 The New Adventures of Superman. 9.18 Live and Kicking.

12.12 **Weather.**
12.15 **Grandstand.** Introduced by Dougie Donnelly. Including at 12.20 Football Focus: Preview of midweek UEFA Cup matches. 12.50 News. 12.55 Motor Sport: The World Touring Car Championship from Donington Park. 1.20 Racing from Ascot: The 1.30 United House Development Novices Hurdle. 1.40 Golf: Volvo Masters. Coverage of the third round from Valderrama in Spain. 2.00 Racing: The 2.05 Steel Plate and Sections Young Chasers Qualifier. 2.15 Golf. 2.35 Racing: The 2.40 United House Construction Handicap Chase. 2.50 Golf. 4.40 Final Score. Times may vary.
5.15 **News.**
5.25 **Regional News and Sport.**
5.30 **Steve Wright's People Show.**
6.10 **Bruce Forsyth's Generation Game.**
7.10 **Noel's House Party.** Comic capers from Crinkley Bottom, featuring a guest appearance by Leslie Nielsen, a Gotcha for Andy Crane, NTV and Grab-a-Grand.
8.00 **Casualty.** Ash's professionalism is tested when fascists and anti-racists clash violently in the Accident and Emergency ward, pushing an already distraught Rachel to the limit. Charlie's suspicions are aroused by a reluctant patient, and an injured DIY enthusiast helps avert disaster. Drama, starring Derek Thompson, Patrick Robinson and Jane Gurnett.
8.50 **News and Sport; Weather.**
9.10 **Film: Another 48 HRS.** Comedy thriller sequel, starring Eddie Murphy as the wisecracking ex-convict who once again joins forces with tough San Francisco cop Nick Nolte (1990).
10.40 **Match of the Day.** Desmond Lynam and the team analyse highlights of two top matches in the FA Premiership. Plus, goals from the day's other games and the October goal of the month competition.
11.45 **The Danny Baker Show.**
12.30 **Film: Busting.** Anarchic police caper following two maverick Los Angeles vice squad officers fighting official corruption. Starring Elliott Gould and Robert Blake (1973).
2.00 **Weather.**
2.05 **Close.**

BBC2

7.50 Open University. 9.45 Plaid Cymru Conference. 10.35 Chanakya.(English subtitles). 11.15 Network East. 11.45 Style Today.

12.25 **Film: One, Two, Three.** Political comedy about an American soft drinks executive in west Berlin who lands in trouble when his boss's daughter marries a communist. James Cagney stars (1961).
2.10 **Timewatch.** Merchant mariners recall their role during the second world war, revealing how many sacrificed their lives in the attempt to keep Britain supplied.
3.00 **Film: Henry V.** Laurence Olivier's acclaimed, Oscar-winning version of Shakespeare's historical play. With Robert Newton and Leslie Banks (1944).
5.15 **TOTP2.**
6.00 **Late Again.** Highlights from last week's editions of The Late Show.
6.45 **What the Papers Say.** Peter Bradshaw reviews the week's news as reported in the press.
7.00 **News and Sport; Weather.**
7.15 **Assignment.** Julian Pettifer reports on Vietnam's economic resurgence following the lifting of US sanctions and relaxation of communist rule, and finds out why entrepreneurs from Britain and the US,as well as Asian countries including Japan and South Korea, are rushing to cash in on its unprecedented growth.
8.00 **Walking the Wall.** Rare archive footage and personal testimonies of east and west Berliners who lived in the shadow of the Berlin Wall.
9.30 **Performance: Message for Posterity.** New series. New production of Dennis Potter's 1967 drama about a radical artist commissioned to paint a portrait of a former Conservative premier. John Neville and Eric Porter star.
11.10 **Have I Got News for You.** Angus Deayton hosts another helping of the comedy news quiz, with Paul Merton and Ian Hislop.
11.40 **Last Word.** Germaine Greer debates topical issues with Janet Street-Porter, Anne Leslie and Suzanne Moore.
12.25 **Film: I Only Want You to Love Me.** German drama, starring Vitus Zeplichal as a builder whose determination to win the approval of his parents and fiancée leads to tragedy. With Elke Aberle (1976).(English subtitles).
2.10 **Fast Forward.**
2.40 **Close.**

LWT

6.00 GMTV. 9.25 What's Up Doc? 11.30 The ITV Chart Show. 12.30 pm Speakeasy.

1.00 **ITN News; Weather.**
1.05 **London Today; Weather.**
1.10 **Champions' League Special.** A look ahead to next week's group matches in Europe's premier club competition, including Barcelona v Manchester United.
1.40 **Movies, Games and Videos.** Review of new movie The Shadow, starring Alec Baldwin as the hook-nosed crime-buster. Plus, The Pelican Brief and cross-dressing comedy Mrs Doubtfire on video.
2.10 **WCW Worldwide Wrestling.**
3.00 **Saint's Soccer Skills.** Crystal Palace striker John Salako and Spurs star Jurgen Klinsmann pass on tricks of the trade.
3.20 **Brand New Life.** Part one of a pilot episode. Comedy-drama about the uneasily blended family of a newly-wed couple. Barbara Eden and Don Murray star.
4.20 **Cartoon Time.**
4.45 **ITN News and Results; Weather.**
5.05 **London Tonight and Sport; Weather.**
5.20 **Baywatch.** Mitch agrees to remarry ex-wife Gail for Hobie's sake – then surprises everyone by abandoning the ceremony to rescue the crew of a sinking boat.
6.10 **Gladiators.** Contenders from South Wales, Surrey, Devon and East Sussex challenge the might of the muscle-bound warriors.
7.10 **Blind Date.**
8.10 **Family Fortunes.** The Drinkwaters from South Glamorgan match wits with the Watkins family from Lancashire in a bid to win £3,000 in cash and a luxury car.
8.40 **ITN News; Weather.**
8.55 **London Weather.**
9.00 **Film: The Running Man.** Convict Arnold Schwarzenegger takes part in a brutal TV game show in which he is hunted through Los Angeles by trained killers. Action adventure, with Yaphet Kotto (1987).
10.55 **Film: Kill Me If You Can.** Fact-based drama, starring Alan Alda as notorious convict Caryl Chessman, who spent 12 years on San Quentin's Death Row before being executed in 1960 (TVM 1977).
12.40 **Love and War.**
1.10 **The Big E; ITN News Headlines.**
2.05 **World Championship Boxing.; ITN News Headlines.**
3.05 **Hot Wheels Special.**
4.05 **Tour of Duty.**
5.00 **BPM.**

CHANNEL4

5.05 4-Tel On View. 6.35 Early Morning. 9.45 Blitz. 11.00 Gazzetta Football Italia. 12.00 Sign On: At Leisure. 12.30 pm The Great Maratha.(English subtitles). 12.55 Madeline.

1.10 **Racing from Newmarket and Wetherby.** From Newmarket: The 1.35 ASKO Appliances Zetland Stakes, 2.10 ASKO Appliances Marshall Stakes, 2.45 ASKO Appliances Quality Stakes, and the 6.20 Ladbroke Autumn Handicap. From Wetherby: The 1.20 Ridley Lamb Handicap Chase, 1.50 Tote West Yorkshire Hurdles, 2.25 Wensleydale Juvenile Hurdle, 3.00 Charlie Hall Chase, and the 3.35 Arthur Stephenson Novices' Chase.
4.05 **Sesame Street Jam: A Musical Celebration.** The 25th anniversary of the children's programme, featuring Marilyn Horne, Little Richard and Queen Latifah, and guest appearances by Maya Angelou, the Neville Brothers, Los Lobos, En Vogue and Ladysmith Black Mambazo.
6.05 **Brookside.**
6.30 **Right to Reply.** Roger Bolton presents viewers' opinions about television.
7.00 **A Week in Politics.** With Vincent Hanna and Andrew Rawnsley; News.
8.00 **For Love or Money.** Profile of Susie Cooper, hailed as one of the greatest British ceramics designers of the century, who maintains a prolific output even though she is in her 90s. Plus, a report on the changing face of fireplaces.
9.00 **Brides of Christ.** Rosemary defiantly embarks on an illicit sexual adventure after Sister Agnes lectures her on the facts of life. Starring Kym Wilson and Brenda Fricker.
10.05 **Rory Bremner: Who Else?** Satirical sketches and impersonations.
10.45 **Film: The Lovers.** True-life crime thriller chronicling the plight of a young man torn between his naive fiancee and the sexy widow he lodges with. Victoria Abril stars (1991).(English subtitles).
12.35 **Late Licence.**
12.45 **Herman's Head.**
1.15 **Let the Blood Run Free.**
1.50 **Wax on Wheels.**
2.35 **This is David Harper.**
3.05 **Packing Them In.**
3.50 **Close.**

REGIONS

ITV REGIONS AS LONDON EXCEPT AT THE FOLLOWING TIMES:-

ANGLIA:
12.30 Movies, Games and Videos. 1.05 Anglia News. 1.40 The Golden Voyage of Sinbad. (1973) 3.45 Knight Rider. 5.05 Anglia News and Sport 8.55 Anglia Weather. 10.55 BL Stryker: Die Laughing. (1989)

BORDER:
12.30 Movies, Games and Videos. 1.00 Border News. 1.40 Superstars of Wrestling. 2.25 Hot Wheels. 2.55 The Last Days of Frank and Jesse James. (TVM 1985) 5.05 Border News and Weather 6.15 Border Sports Results. 12.00 BL Stryker: Die Laughing. (1989)

CENTRAL:
12.30 America's Top 10. 1.05 Central News 2.10 Cartoon Time. 2.10 The Fall Guy. 3.15 SeaQuest DSV. 4.15 WCW Worldwide Wrestling. 5.05 Central News 5.15 The Central Match – Goals Extra. 2.00 Local Weather. 12.00 The China Lake Murders. (TVM 1990)

GRAMPIAN:
12.30 Spors. 1.05 Grampian Headlines. 1.45 Telefios. 2.10 Donnie Murdo. 2.35 Escape Route. (1952) 4.00 Superstars of Wrestling. 9.00 Grampian Headlines. 6.10 Grampian News Review. 6.10 Police News. 2.00 Grampian Weather. 10.55 BL Stryker: Die Laughing. (1989)

GRANADA:
12.30 Movies, Games and Videos. 1.05 Granada News 1.40 Superstars of Wrestling. 2.25 Hot Wheels. 2.55 The Last Days of Frank and Jesse James. (TVM 1985) 5.05 Granada News 5.05 Granada Goals Extra. 10.55 BL Stryker: Die Laughing. (1989)

HTV:
12.30 No Naked Flames. 1.00 HTV News. 1.40 Best of British Motor Sport. 2.15 Yesterday's Heroes. 2.40 Movies, Games and Videos. 6.15 The A-Team. 4.00 Knight Rider. 5.05 HTV News and Sport 0.55 HTV Weather. 10.55 BL Stryker: Die Laughing. (1989)

HTV Wales as HTV except:
12.30 The Gen.

MERIDIAN:
11.30 COPS. 12.00 The ITV Chart Show. 1.00 Meridian News. 1.40 Yesterday's Heroes. 2.10 Colour Scheme. (TVM 1978) 3.45 Knight Rider. 9.00 Meridian News. 5.15 Cartoon Time. 10.55 Crime Story. 11.50 Nick Knight. (1986)

SCOTTISH:
12.30 Extra Time. 1.05 Scotland Today. 1.40 Telefios. 2.15 Dark Journey. (1937) 3.40 Sons and Daughters. 4.15 Take Your Pick. 9.00 Scotland Today 10.55 The Asphyx. (1973)

TYNE TEES:
12.30 Wow! 1.05 Tyne Tees News. 1.40 The Mountain Bike Show. 2.10 Please Turn Over. (1959) 3.45 Knight Rider. 5.05 Tyne Tees Saturday 12.00 Under Siege. (TVM 1986)

WESTCOUNTRY:
12.30 Movies, Games and Videos. 1.05 Westcountry News. 1.40 The Scalphunters. (1968) 3.45 Dinosaurs. 4.15 The Mountain Bike Show. 5.05 Westcountry News 8.55 Westcountry Weather. 10.55 BL Stryker: Die Laughing. (1989)

YORKSHIRE:
12.30 Movies, Games and Videos. 1.05 Calendar News. 1.40 The Mountain Bike Show. 2.10 Please Turn Over. (1959) 3.45 Knight Rider. 5.05 Calendar News. 6.15 Scoreline. 10.55 Under Siege. (TVM 1986)

SUNDAY

BBC1

7.25 The Man from U.N.C.L.E. 8.15 Breakfast with Frost. 9.15 Decisions. 9.30 This is the Day. 10.00 See Hear! 10.30 French Experience. 10.45 Easy Money. 11.00 The 11th Hour.

12.00 **CountryFile.**
12.25 **Weather for the Week Ahead; News.**
12.30 **On the Record.**
1.30 **EastEnders.**
2.50 **Film: Butch Cassidy and the Sundance Kid.** Oscar-winning Western following the escapades of train robbers Paul Newman and Robert Redford as they try to stay one step ahead of the law (1969).
4.40 **Junior Masterchef.** Andi Peters and Caroline Waldegrave judge the culinary efforts of contestants from Newcastle-upon-Tyne, Rochdale and Edinburgh.
5.10 **The Bookworm.** New series. Reports on the nation's reading habits, beginning with a review of prize-winning children's book Stone Cold. Presented by Griff Rhys Jones.
5.40 **The Clothes Show.** The Afro Dizziac Hair Styling Championships, a new look for winter, and designer bargains found in retail stores off the M25.
6.05 **News.**
6.25 **Songs of Praise.**
7.00 **Children in Need: Toddling for Pudsey.**
7.10 **Lovejoy.** The roguish dealer is arrested after one of his valuable antique shotguns is stolen and used in an armed robbery. Ian McShane stars.
8.00 **Vintage Last of the Summer Wine.** A chance encounter with a resentful dog-walker gives Foggy another sure-fire business opportunity.
8.30 **Birds of a Feather.**
9.00 **Seaforth.** Bob's marriage to Paula creates hostility in the town, a problem compounded by an accidental meeting with ruthless self-made developer John Stacey.
9.50 **News and Weather.**
10.05 **The Full Wax.** New series. Ruby returns with her offbeat chat show, featuring legendary actress Zsa Zsa Gabor and spiritual leader Ram Dass.
10.35 **Heart of the Matter.** Investigation into the moral implications of suicide.
11.10 **Film: True Colours.** Drama charting the turbulent relationship between a committed Justice Department official and a ruthless politician. With James Spader and John Cusack (1991).
1.00 **Weather.**
1.05 **Close.**

BBC2

7.30 Tales of the Tooth Fairies. 7.35 Bump. 7.40 Animal World. 7.50 Blinky Bill. 8.15 Playdays. 8.35 Moomin. 9.00 The Busy World of Richard Scarry. 9.25 Blitsa. 9.40 The Stone Protectors. 10.05 Time-Busters. 10.30 Grange Hill. 10.55 The Legend of Prince Valiant. 11.20 Bay City. 11.45 The O Zone. 12.00 Quantum Leap. 12.45 pm Snowy River: The McGregor Saga.

1.30 **Around Westminster.**
2.00 **Wildlife Classics: Cranes of the Grey Wind.** This programme from The Natural World series was photographed by the new Wildlife Photographer of the Year, Thomas Mangelsen.
2.50 **Golf: Volvo Masters.** Live coverage of the final round from Valderrama, Spain, as Europe's top players chase a first prize of £125,000.
5.05 **Diwali Lights.** New series. Beginning a week of programmes to celebrate the Festival of Lights, the most important event of the year for Hindus and Sikhs.
5.15 **Rugby Special.** Highlights of Leicester v Sale from Welford Road, and the clash between Llanelli and the touring South Africans at Stradey Park.
6.15 **One Man and His Dog.**
7.00 **The Money Programme.** The future of BMW, one of the most successful car companies of the 1980s, whose future now depends on adapting to consumer demand for smaller vehicles, and successfully marketing its Rover range.
7.40 **The Car's the Star.** The Ford Mustang, loved and cherished by generations of Americans since its launch in 1964. Last in series.
8.00 **The Fall of the Wall.** Two-part investigation into the collapse of communism in eastern Europe, focusing on the prime movers behind bringing down the Berlin Wall, including former Soviet leader Mikhail Gorbachev and West German foreign minister Hans-Dietrich Genscher.
8.55 **Strings, Bows and Bellows.** Joanna MacGregor performs Gyorgy Ligeti's powerful work Autumn in Warsaw.
9.05 **Monty Python's Flying Circus.**
9.35 **Shakespeare: Playing the Dane.** TV and film stars discuss the role of Hamlet from an actor's point of view.
10.25 **Film: Hamlet.** Premiere. Franco Zeffirelli's production of Shakespeare's tragedy, starring Mel Gibson as the Danish prince seeking revenge on his villainous uncle. With Glenn Close (1991).
12.40 **Close.**

LWT

6.30 GMTV. 9.00 The Disney Club. 10.15 Link. 10.30 Sunday Matters. 11.00 Morning Worship. 12.00 Sunday Matters. 12.30 pm Crosstalk; London Weather.

1.00 **ITN News; Weather.**
1.10 **Walden.** Brian Walden asks Gerry Adams if Sinn Fein is serious about peace.
2.00 **The Motor Show at the Motor Show.** Report from the stands at Birmingham's NEC.
2.30 **Saint's Soccer Skills.** Crystal Palace striker John Salako and Spurs star Jurgen Klinsmann pass on tricks of the trade.
2.45 **The Sunday Match.** Stoke City v Wolverhampton Wanderers. First Division coverage from the Victoria Ground as Graham Taylor takes table-topping Wolves to the Potteries. Commentary by John Helm and Dave Bassett.
5.15 **Father Dowling Investigates.** When the crime-busting clergyman is targetted by an assassin, his habitual sidekick Sister Steve takes on a risky job in an attempt to flush the killer out.
6.10 **London Tonight; Weather.**
6.30 **ITN News; Weather.**
6.40 **Schofield's Quest.** The legendary Beast of Bodmin, a haunted sports shop in Newport Pagnell and news of an Argentinian plant alleged to have miraculous healing properties.
7.30 **Heartbeat.** A Russian sailor jumps ship in Whitby and turns to Nick for help. Greengrass goes poaching for trout, and Kate joins in the search for two missing children.
8.30 **You've Been Framed!**
9.00 **London's Burning.** Nick rescues a youngster trapped in a disused water pumping station, and Sally refuses to attend Kevin's houseboat-warming party. George tackles a blaze on his first night as a theatre fireman.
10.00 **Hale and Pace.**
10.30 **ITN News; Weather.**
10.40 **London Weather.**
10.45 **The South Bank Show.** British playwright Alan Ayckbourn gives a workshop at Cardiff University.
11.45 **You're Booked!**
12.15 **Cue the Music.**
1.15 **Married - With Children.**
1.45 **Get Stuffed.; ITN News Headlines.**
1.50 **Film: He's Fired, She's Hired.** Comedy, starring Karen Valentine (TVM 1984).
3.35 **Get Stuffed.; ITN News Headlines.**
3.40 **Film: He's Not Your Son.** Domestic drama, starring Ken Howard (TVM 1984).
5.25 **Get Stuffed.**

CHANNEL4

6.00 Blitz. 7.10 Early Morning. 10.00 Dennis. 10.15 Saved by the Bell. 10.45 Rawhide. 11.45 Little House on the Prairie. 12.45 pm Opening Shot.

1.15 **Football Italia.** Milan v Juventus. Live coverage of the Serie A clash.
3.30 **Film: I Married a Witch.** Aspiring politician Fredric March is hounded by the spirits of two witches burned at the stake by his puritan ancestor. Fantasy comedy, with Veronica Lake (1942).
5.00 **Belfast Lessons.** Reports from Belfast's Hazelwood College.
5.05 **News Summary.**
5.10 **Film: Forbidden Planet.** Space travellers land on a world inhabited by a seemingly friendly Earthman, his beautiful daughter and helpful robot servant – but soon discover dark forces lurking behind this idyllic facade. Classic SF tale, starring Walter Pidgeon, Anne Francis and Leslie Nielsen. Part of the Future Features season (1956).
7.00 **Equinox.** In-depth study of bottle-nosed dolphins off the Florida coast of America, Australia's Shark Bay, and Moray Firth in Scotland, revealing a seldom-documented aggressive side to their social lives. Cameras follow typical males as they group together in packs, victimise outsiders, and pursue females with often brutal ardour – behaviour remarkably similar to that of their human counterparts.
8.00 **Beyond the Clouds.** Carpenter Zhou returns to find his village recovering from a murder committed by a teenage boy, whose conviction leaves his 10-year-old sister to care for their mother. (English subtitles).
9.00 **Film: SOB.** A Hollywood director is furious at the failure of his latest epic, and decides to remake it as a sex film. Blake Edwards comedy, starring Julie Andrews, Richard Mulligan, Robert Preston, Larry Hagman, Shelley Winters and Robert Vaughn. Part of the Hollywood Dreams season (1981).
11.20 **Julia's Baby.** An independent deaf, blind and single girl's struggle to raise her newborn child alone in the face of social workers' worries about her competence and the baby's safety.
12.30 **Film: Before the Dawn.** Powerful Sri Lankan drama focusing on the hardships of peasants brutalised by their unscrupulous landlord. Wijeratna Warakagoda stars (1985).(English subtitles).
1.45 **Close.**

REGIONS

ITV REGIONS AS LONDON EXCEPT AT THE FOLLOWING TIMES:-

ANGLIA:
12.30 Bodyworks. 12.55 Anglia News. 2.00 Father Dowling Investigates. 2.55 Kick-Off 3.45 Cartoon Time. 4.00 Billion Dollar Threat. (TVM 1979) 5.45 Anglia at War. 8.15 Anglia News on Sunday 10.40 Anglia Weather. 11.45 Street Legal.

BORDER:
12.30 Gardener's Diary. 12.55 Border News. 2.00 Scotsport. 5.15 Cartoon Time. 5.30 Coronation Street. 6.25 Border News. 11.45 Prisoner: Cell Block H.

CENTRAL:
12.30 Central Newsweek. 12.55 Central News 2.00 Xpress. 2.30 The Central Match – Live! 4.55 Gardening Time. 5.20 It's Your Shout. 5.55 Hit the Town. 6.25 Central News 10.40 Central Weather. 11.45 Prisoner: Cell Block H.

GRAMPIAN:
11.00 Sunday Service. 11.45 Eikon. 12.30 Gardeners' Diary. 12.55 Grampian Headlines. 2.00 Scotsport. 5.15 Yesterday's Heroes. 5.45 Movies, Games and Videos. 6.15 The River. 6.25 Grampian Headlines. 6.35 Grampian Weather. 10.40 Grampian Weather. 11.45 Prisoner: Cell Block H.

GRANADA:
12.25 Close to the Edge. 12.55 Granada News 2.00 The A-Team. 2.55 Cindy Crawford: Stunt Women World Tour. 3.45 Harris Down Under. (TVM 1988) 5.30 Coronation Street. 6.25 Granada News 11.45 Prisoner: Cell Block H.

HTV:
12.25 The Wrap. 12.55 HTV News. 2.00 On the Edge. 2.30 Midweek. 9.00 The West Match. 3.30 Carry On Cleo. (1965) 5.15 Cartoon Time. 5.25 Country Watch. 5.55 Up Front! 6.25 HTV News. 10.40 HTV Weather. 11.45 Prisoner: Cell Block H.

HTV Wales as HTV except:
12.25 Primetime Diary. 2.00 Welsh Agenda. 2.30 Face to Faith. 9.00 Soccer Sunday. 4.00 Highway to Heaven. 4.55 Dinosaurs. 5.25 Tellyphonin'.

MERIDIAN:
12.30 Seven Days. 12.50 Meridian News. 2.00 Cartoon Time. 2.10 The Pier. 2.35 Listings. 2.40 The Meridian Match. 3.25 The Hollywood Detective. (TVM 1989) 5.05 Highway to Heaven. 2.00 The Village. 3.25 Meridian News. 11.45 The Pier.

SCOTTISH:
11.00 Sunday Service. 11.45 Eikon. 12.30 Scotland Today. 12.35 Skoosh. 2.00 Scotsport. 5.15 Dinosaurs. 5.45 Cartoon Time. 5.55 Michael Ball. 6.25 Scotland Today 10.40 Scottish Weather. 10.45 Don't Look Down. 11.30 The South Bank Show.

TYNE TEES:
12.25 Newsweek. 12.55 Tyne Tees News. 2.00 The Tyne Tees Match. 2.55 The Prince and the Pauper. (1962) 9.00 Dinosaurs. 5.30 Animal Country. 6.00 Tyne Tees Weekend. 11.45 The Powers That Be.

WESTCOUNTRY:
12.30 Westcountry Update. 12.55 Westcountry News. 2.00 Hot Wheels. 2.30 Vet. 3.00 Warlords of Atlantis. (1978) 4.00 Westcountry Cameos. 5.05 Blooming Marvellous. 5.30 Father Dowling Investigates. 6.25 Westcountry News 10.40 Westcountry Weather. 11.45 Prisoner: Cell Block H.

YORKSHIRE:
12.25 Kickabout. 12.50 Calendar News. 2.00 Highway to Heaven. 2.55 The Prince and the Pauper. (1962) 5.05 Dinosaurs. 5.30 Animal Country. 6.00 Calendar News and Weather 10.40 Calendar Weather. 11.45 The Powers That Be.

RADIO

SATURDAY

SUNDAY

CHESS

If chess imagination scored points, Julian Hodgson would be Britain's No 1. The London grandmaster is a feared opponent on the European open circuit, where highly-geared prize funds make it essential to concede *few* draws.

Hodgson likes unusual openings and has transformed this week's variation single-handedly from an off-beat footnote in theory books to a respectable system which many players now use

(J. Hodgson, White; F. Hellers, Black; Leeuwarden 1994).

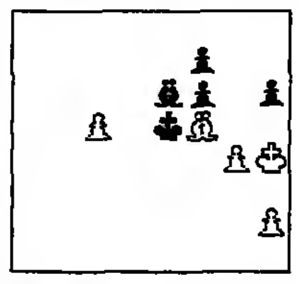
1 d4 Nf6 2 Bg5 Hodgson's trademark, which inter alia deters Black from g6 allowing 3 Bxf6 and doubled pawns. Ne4 3 Bf4 He has also tried 3 h4!? ... d5 4 f3 Nf6 5 Nc3 c5 6 e4! dxe4 7 d5 exf3 8 Nxf3 ... and now wa have a favourable version of the Blackmar-Diemer gambit 1 d4 d5 2 Nc3 Nf6 3 e4?! dxe4 4 f3 exf3 5 N or Qxf3 which was played widely 30 years ago before being rejected as unsound. g6? Better a6, preventing what follows. 9 Nb5 Na6 10 Qe2 e6 11 0-0-0 Qb6 12 dxe6 Qxe6 13 Qd2 Be7 14 Re1 Ne4 15 Rxe4! A consistent theme of such early attacks is to stop your opponent castling, even at the cost of material.

Qxe4 16 Nd6+ Bxd6 17 Qxd6 c4 Else Bb5+ is fatal. 16 Bxc4! Qxc4 19 Bg5 Qc7 20 Re1+ Be6 21 Rxe6+! Resigns. An elegant finish. If fxe6+ 22 Qxe6+ Kf8 23 Bh6+ Qg7 24 Ng5! and mates. The victim of this cameo is Sweden's No 2 grandmaster.

■ Young players have forged ahead this week. Judit Polgar, 18, is in second place near the finish at Buenos Aires, ahead of several world top-10 grandmasters, including Anatoly Karpov. Luke McShane, 10, set another age record defeating a Danish international master at Richmond.

Chess 1045

Mark Taimanov v. Bob Wade, world senior championship, Biel 1994. Wade, who is 73 and England's chess trainer, was in contention for the title until



Taimanov (White, to move) squeezed out a win from this seemingly drawn endgame. What did White play?

Solution Page XVII

Leonard Barden

BRIDGE

My hand today comes from rubber bridge. See what you can learn from The Trojan Horse:

	N	
	♠ A Q 7 2 ♥ 5 4 ♦ K Q 8 6 4 2 ♣ 7	
W		**E**
♠ J 9 8 5 ♥ K 10 8 6 ♦ J ♣ K 10 4 3		♠ 6 3 ♥ A J 2 ♦ 10 7 5 3 ♣ Q 8 6 2
	S	
	♠ K 10 4 ♥ Q 9 7 3 ♦ A 9 ♣ A J 9 5	

With both sides vulnerable, South dealt and opened the bidding with one club. North responded with one diamond, South re-bid one heart and North said one spade. This was Fourth Suit Forcing although, on this occasion, North happened to hold a biddable spade suit. South bid one no-trump and North raised to three.

West opened with the five of spades and declarer played low from the table so that he could score four tricks in the suit. At trick two he cashed his diamond ace, West dropping the knave, made dummy's king and queen and conceded a trick to East's 10. East was a first-class player and saw that the heart suit offered the only hope for the defence. He led the knave of hearts, the queen covered, East took with his king and at once returned the six. East won with the ace and his heart return allowed West to defeat the contract with the ten and eight.

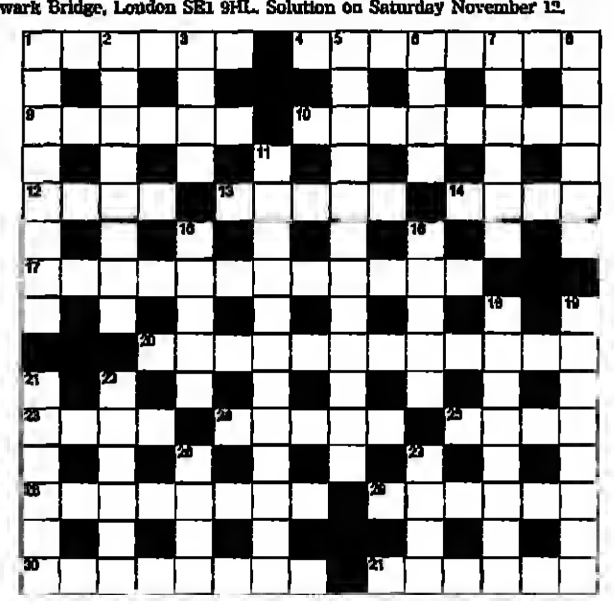
Instead of being lured by the Greek gift, declarer should win the opening lead with dummy's queen and lead the two of diamonds. When East plays low, he finesses the nine to West's knave. A heart switch from West is not lethal – East-West can make three tricks in the suit – but the declarer's contract is safe.

E.P.C. Cotter

CROSSWORD

No. 8,597 Set by DINMUTZ

A prize of a classic Pelikan Souverän 800 fountain pen, inscribed with the winner's name for the first correct solution opened and five runner-up prizes of £35 Pelikan vouchers. Solutions by Wednesday November 9, marked Crossword 8,597 on the envelope, to the Financial Times, 1 Southwark Bridge, London SE1 9HL. Solution on Saturday November 12.



Name...

Address...

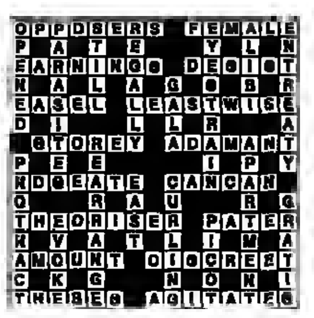
ACROSS

1 Dahlias, for example, burst open about end of June (6)
4 Lowering second cover on aircraft engine (8)
9 A pitcher less boisterous inside (6)
10 Old wife in a heap on the way out (8)
12 Closing city street (4)
13 Child smashing icons (5)
14 An indefinite amount of softwood (4)
17 Early vehicle sometimes powered by a generator? (12)
20 Fit after a system of diet, that is how people are disciplined! (12)
23 A mother and a father originally (4)
24 Take oxygen in to prevent bad posture (5)
25 Cut off .... good-bye, would you say? (4)
28 No whole number? (4-4)
29 Short jacket for the dance (6)
30 Inside Oxford, for example, one works to keep form (4-4)
31 A way youth begins to show indifference (6)

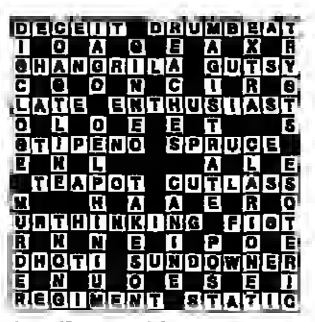
DOWN

1 Novelist seen in baggage-point .... (8)
2 .... with those who pick him up casually (8)
3 Flower wine (4)
5 Boat cox, Chloe, turns out to be almost too pretty (9-3)
6 Farm vehicle women own in Scotland (4)
7 Case-hardened and ruined, possibly (6)
8 Gallivant knowing one is a pest (6)
11 Associate Bill Strange can turn key (12)
15 Dark colour of northern runner leaving hospital? (5)
16 Value of poet who drops words (5)
18 Mournful-sounding information in factory (8)
19 The Oxford, major work we hear (8)
21 Theatrical states of university grounds? (6)
22 Fringe, say, of a musical party (6)
26 Sound to attract attention of some bell-hops, standing (4)
27 Accomplishment of company showing a profit (4)

Solution 8,596



Solution 8,585



WINNERS 8,585: G.J. Linney, Dunsford, Exeter; Kirk Burwell, Bridgnorth, Shropshire; A. Porter, Kuala Lumpur; D Burns, Carlisle; M.D. Rego, Prague; Mrs M.J. Ounsworth, North Ferry, East Yorkshire.

One last drive to the end of the road

The car has smoked itself to death. ***Peter Aspden*** *laments the passing of a furtive pleasure*

If it is true that we are witnessing the beginning of the end of the car culture, then be sure that it will not go out without an explosion of blown gaskets and a few righteous puffs of blue smoke. For hell – or the M25 – hath no fury like a motorist, surrounded by traffic cones, juggernauts and vapid environmentalists, being asked to pay more for the "privilege" of using his or her car.

This anger is not so hard to understand. Bizarrely, taking a car out for a spin has come to represent one of the few expressions of personal freedom left in a world of increasing uniformity and staleness.

Perhaps only the historians of the 25th century will be able to tell the story with the necessary degree of detachment; how strapping yourself into a confined space for a couple of hours came to symbolise the ultimate in liberation from modern life's quotidian drudgery.

But such are the claims made for car culture. Listening to a mournful radio phone-in following the report of the Royal Commission on Environmental Pollution, which had the temerity to pronounce that Britain's road-obsessed transport programme was unsustainable, it was as if we were being asked to sacrifice the most inalienable of our rights.

Well, I like a whirl in my Alfa like the next man (and, my goodness, what a boy's world it is). But the man ringing the radio station from his mobile telephone in the middle of his traffic-jammed route to central London must surely have realised how absurd he sounded when he talked, like an old trucker, of "the freedom of the roads".

In truth, the romantic view of car culture, the world of throbbing engines, hair-raising curves and consummate clutch control, is fast dying on its wheels. There is not much fun to be had in driving today's bland, sanitised cars; indeed, to talk of a "culture" at all is to evoke a whimsical image far removed from the belchingly slow reality of the average city vehicle, power-steering (what a mocking misnomer) its way at 7mph into another gormless queue.

Car designers have realised this. After a brief spasm of "supercar" madness in the 1980s, they have settled into their more pragmatic briefs of producing neat, small, efficient cars for the 1990s.

Advertisers, ahead of the game as always, have plucked out a series of neat, small, pretty girls to promote these otherwise charmless items. Nicole, in her oh-so-wicked fling through the Provençal countryside, is the future of car culture; slinky, surreptitious, a bit on the side, like a quick drag on a Gauloise.

Soon, cars will become so naughty and so compact that we will deny that we possess one at all, only to disappear for a couple of hours to a concealed entrance, like the launchpad of Thunderbird Two, for some serious clandestine pleasure.

Of course eventually, no one will be able, nor feel the need to drive because we shall have a perfect public transport system. But we shall just sit there, on a specially-painted double yellow line, challenging the world at large to come and give us a ticket *if it dares!* It will be the quintessential free thinker's act of civil disobedience, recalling a world when the boundaries of state power were drawn well beyond the twinkling horizon of the next service station.

In the meantime, we are stuck with what we have got: too few roads, too many fumes, tempers fraying and time running out. When they all come together, as they presently do if you are trying to drive into Heathrow Airport, for example, they represent the very opposite of freedom, the flip-side of culture, the most appalling example of over-consumption and stress mis-management you could ever hope to see.

Political will is at last catching up with the public perception that the cost of the motorist's freedom has simply grown too high to bear. It is time for all of us, macho boys and furtive girls, to grow up.

Tony Andrews

Private View/**Christian Tyler**

A sanitary worker in the gene pool

Steven Rose, a brain scientist, says some gene researchers have got it badly wrong

Genetics has had an ugly history, dating from the days when theories were built on a naive interpretation of Darwin – or pure prejudice – rather than on scientific knowledge.

Today there is a great deal more knowledge and the promise of medical breakthroughs. But there is also, says Steven Rose, a danger that bad old thinking will be revived while irresolvable ethical dilemmas are being created.

Professor Rose is a biologist of the brain who studies memory by teaching day-old chicks (they learn fast and don't need telling twice), then opening up their brains to see what has been going on inside.

He is probably better known, however, for the clarity of his popular science writing (*The Making of Memory* won last year's Science Book Prize) and better still for his campaign against what he calls the "neurogenetic determinists".

By this he means the people who, in a world desperate for simple explanations and instant cures, claim the answer lies in the genes.

I asked him: are you saying their claims are wrong, or merely premature?

"Some are premature, some are right, some are wrong," he replied. "But in all cases I would argue they are being grossly oversold and over-hyped."

He went on: "Although all of us use the phrase 'genes for...' as a shorthand, of course there is no gene *for* anything in this sense.

"What a gene does is code for a particular protein not a piece of protein. People talk about genes for blue or brown eye-colour. In fact many thousands of genes go to determine the pathway which ends up with a blue or brown eye-colour. What's different between people with blue eyes and brown eyes is that one of the genes along the pathway is different. So it's a gene which helps determine a difference, rather than a gene 'for' something."

It sounded like a distinction without a difference until Rose explained that even "single-gene" medical disorders can adopt many forms, while their severity depends on all the other genes in the system.

Rose is saying that the answers provided by molecular biology can only be partial answers. Organisms – especially human beings – need to be studied as a whole.

"Genes are one-dimensional, while the organism is four-dimensional and we don't go from one dimension to four in a very simple way," he said.

Gene-sequencing was a skilled but repetitive business quite divorced from the organism in which the biochemistry was going on.

"That really worries me as a biologist, as an educationalist, quite apart from the politics.

"It was Jim Watson (co-discoverer of the DNA double helix) who said that it was so simple it could be done by a team of monkeys... It wasn't me who said that." He laughed.

Even supposing a clear causal link between gene patterns and medical conditions, what was to be done with the knowledge? Suppose you could predict that a foetus had a 30 per cent chance of developing schizophrenia at the age of 18, the knowledge itself would change the way the child grew up. Would it lessen, or increase, the chances of schizophrenia developing?

"My criticism of molecular geneticists is that they are really handling human time-bombs of information and they don't begin to understand the complexities of what they are trying to unravel, even in the simple cases."

As for research into the genetics of social behaviour, Prof Rose is not so much alarmed as scornful.

"To look for a genetic explanation for phenomena like violence in society is the classical story of the drunk looking for the key under the lamp-post because that is where the light is.

"But if the key isn't there, then it's stupid to look there. It's clever-stupid but it's stupid nonetheless."

Researchers had claimed there are genes "for" homosexuality, aggression, alcoholism, even homelessness. This, said Rose, is the fallacy of reification – making a thing out of a process. Congruences or consequences were mistaken for causes, methodology was elevated into a philosophy.

If there were gene markers which tallied with the experience of being homosexual that was "an interesting observation," he said. "But it doesn't account for the nature of homosexuality in society, it doesn't provide an explanation of the meaning of homosexuality or a statement of how we should treat it."

In the US, where the homicide rate among 16 to 19-year-old males had doubled in 10 years, they were worried about violence.

"I say as a scientist there is no conceivable genetic explanation for that doubling. It's stupid to look at genetics. We should look at the guns, or the social conditions which foster violence."

Rose is a materialist with no time for supernatural explanations. But he is a materialist who wants to distinguish the levels – and define the limits – of scientific explanation.

"Look, I wouldn't want to evoke biology to explain the Tel Aviv bombing," he said. "Or the conflict between the Serbians and the Moslems. I don't think measuring dopamine levels in Dr Karadzic's brain is actually going to help tell us anything."

After a First in biochemistry at Cambridge and research at Imperial College, London, Rose was recruited by the Open University. His wife Hilary (he calls her his "partner") is a feminist sociology professor; Rose says he is much influenced by the "feminist cognitive critique".

He pays attention when animal rights campaigners tell him that cutting the heads off day-old chicks diminishes him as a human being, and was a founder of the Society for Social Responsibility in Science.

Brought up in an Orthodox Jewish family in London he was, he says, an atheist at the age of eight. On that birthday he was given a chemistry set and a copy of Darwin's *Origin of Species*. His father, returning from the second world war, was for a while anti-Fascist organiser for the association of Jewish ex-servicemen.

With this kind of *curriculum vitae*, it seemed fair to ask him whether his criticism of molecular biology is, at bottom, emotional.

"Some of the questions being asked have the appearance of being scientific, but are not," he said. "In other cases it is desperately important to get the right answer – the causes of schizophrenia, for example. But studying the genetics of schizophrenia is not the best way of doing it.

"I'm not against doing it. But I *am* in favour of assembling research priorities, and our priorities have to be set in a social context. People say $3bn for the human genome programme is trivial. But to shift funding away from research into the whole organism is I think a mistake in priorities."

Is it that politicians do not understand biology or that biologists are highly political people?

"Oh, I think that all scientists are in that sense highly political. You have to argue for funding. You go where the money is."

I reminded him of a letter he and his wife wrote to The Guardian earlier this month protesting about a "provocative display of authoritarian police power" at the last demonstration against the Criminal Justice Bill.

The professor laughed ruefully, but remained unabashed. "My whole life has been a passionate concern with two things at the same time," he said. "One is to understand the world and the second is to change the world where I see what I believe to be injustices. Science is a way of doing both."

We discussed the revival in the US of the debate about IQ, race and class, a touchstone in any genetic debate.

Rose said it was a fallacy to think that IQ was a fixed property. Intelligence, like memory, was not "a lump of something" and the IQ test was a variable device useful for particular purposes.

"If you say that IQ is fixed in the genes then you have an ideological defence of the *status quo* of a society divided by wealth, poverty, class, race and gender and you offer the possibility of spurious technological fixes."

Are you not politically predisposed to believe that people of all races are born on average equal?

"What I am *scientifically* predisposed to do is to reject the concept of race in the genetic sense as having any real meaning.

"Race clearly has a great deal of social relevance. What defines it in contemporary society has very little to do with genetics. That is, the gene distribution and gene frequences between any two 'white' individuals are as different as between any white and any black individual."

Rose does not believe in arguing about nature versus nurture. His ambition is what he calls a "synthetic biology" in which different levels of explanation, from the molecular to the social, are conjoined. I asked him if he had any sympathy for the so-called anti-science movement.

"Because western science has insisted on this rigidly reductionist approach it does prevent us understanding the richness of human experience.

"I think there is an understanding of the human condition which is given to us by novels, by philosophers, by religious writing, and one can't discount that.

"You may argue that you can understand more about memory by reading volume one of *A la recherche du temps perdu* where Proust rediscovers memory in the taste of the madeleine cake than by anything I'm doing with the chicks.

"People understand different things about memory, and I can't handle those in terms of biochemistry. What I want to do, desperately, is to be able to put the two of them together, to unite the fractured halves of our lives, to put science back into the service of humanity, to give an integrated understanding of the world.

"In that sense one's got to listen to what the critics of science are saying and try and address their concerns even if you don't agree with their solutions."

As They Say in Europe

Corrupt Europe, sleazy Britain

James Morgan *on how nations respond to misbehaviour*

Corruption pages proliferate. They appear all over western Europe. One wonders at times which country produces which comment: "Shady financing ... is eating away at the state. That means many existing political careers, if not all, have been made in dubious circumstances. The discredit which has rebounded on the political class is now being purged. Such a medical exercise, however disagreeable, can only end by pepping up a profession which has terrible need of it."

That appeared in *Libération* in Paris this week. It could have appeared in Spain or Italy. But not in Britain. In Britain there is sleaze, not corruption. Here, for the benefit of non-British readers, is an account of what sleaze might be in Britain.

Mr Kettle MP and the businessman Mr Black become firm friends while sharing a tent on a camping holiday. Subsequently, Kettle is made a consultant for Black and asks questions in parliament, at £2,000 a time, about the poor management of the state-owned British Pots Corporation. Kettle rises to industry secretary and privatises BPC. Black becomes chairman. Kettle retires from the House and, as Lord Kettle, is made a director of British Pots PLC. The company donates £250,000 to the Conservative Party. Black, now knighted, retires to Liechtenstein with a £3m handout from the company. Lord Kettle heads the new Suburban Government Commission. Black is appointed by that commission to be chairman of the Surrey Development Agency, a one-day a week job paying £50,000 a year.

None of this is true, and even if it were it would not be illegal or corrupt. So the government has set up a standing commission to stamp it out.

I hope all is now clear.

In France, by contrast, nearly every report of corruption is leading to prosecution. The spread of corruption is blamed on decentralisation. In recent years the central government has handed many of its functions over to regional bodies which have had considerable sums to spend on local development.

Fortunately, the head of an institute of decentralisation, Pierre Richard, was there to put the record straight this week. In *Libération* he wrote that extending powers to the regions had nothing to do with corruption. "Let us say loud and clear: the tree which is composed of certain officials who have, either through imprudence or indelicacy, sinned, cannot conceal the forest of honest and efficient managers."

The accompanying story was that of the gigantic bridge at Nantes. In 1987, "commissions" worth anything between FFr7m and FFr20m were allegedly, and possibly indelicately, offered to those who might have had some influence over the contract. The papers have already regaled us with the complex history of the earlier Nantes water supply contract. The "one tree of imprudence" seems to cast a long shadow.

But Richard has a number of solutions. He wants to create a ministry run by an administrative judge, "organised in specialist sections to deal with public contracts, urban affairs etc and accountable directly to local citizens". That would be underpinned by more powerful regional audit offices. And there should be an increase in "the powers and prerogatives of the central anti-corruption service". Most people, I imagine, would prefer corruption to anything like that.

Governments in such circumstances usually turn to this sort of thing – the "crackdown" approach, pioneered by Italy. But it easily gets out of hand. An economy can run into difficulties when a large proportion of its most dynamic and enterprising citizens languish behind bars pending further inquiries.

Then there is the alternative, but doomed, "return to morality" solution. In Britain there was the ill-starred "back to basics" campaign which started a year ago and collapsed three months later. Corruption was not its target but it ran into the sleaze factor. In Italy "back to basics" was translated as a fascist renascence. In France it is promoted by the prime minister, Edouard Balladur, under the formula known as "the moralisation of public life."

One has to turn to the unscathed Germans for guidance. The Paris correspondent of the *Frankfurter Allgemeine Zeitung* wrote this week that Italy had provided an example to France – once judges and magistrates had a free hand they could really tackle the problem. But Balladur's approach was failing because it lacked an essential element. "What is decisive in the struggle against corruption is the political will for sharper sanctions."

Except in Britain, of course. There all measures have been taken to ensure that nothing untoward continues to happen.

■ *James Morgan is economics correspondent of the BBC World Service.*

A strategy to beat inflation

Scheherazade Daneshkhu on rising costs

Buying a house is probably the largest capital expenditure most people expect to make. But if you intend to educate your children privately, you should not be surprised if school fees come a close second or, depending on the number of children, even first.

Estimates put the cost of sending a child through primary and secondary school at £100,000. The average annual fee for the independent day schools in this survey is £4,117, and £9,914 for boarding schools.

Some of the best-performing boarding schools are charging fees of more than £4,000 per term for the first time this year. These include Eton (2nd: £4,128), Winchester (4th: £4,282), and Roedean (27th: £4,135). These would make a dent in your income even if your child qualified for a scholarship.

Boarding-school fees inflation was well above the retail price index in the early 1990s and still remains higher, although it has slowed down in the past year. If fees are to rise above inflation and will be paid over a long period – at least 10 years – you may need to plan their payment.

As with any grand operation, a strategy is needed:

■ Keep it simple. Some financial advisers may bombard you with complicated school-fees plans. If you do not understand how the plan works forget about the proposed investment. There is little point in risking learning the hard way once you come to pay the fees.

Keeping it simple also involves choosing a flexible way to plan. Most school-fees planning packages are based on the endowment policy but their main problem can be the lack of flexibility. Mr Anthony Murrell of Knight Cavendish Information Technology, which has a school-fees software package, says: "All too often circumstances can change and the money will be needed for purposes *other than school fees.*"

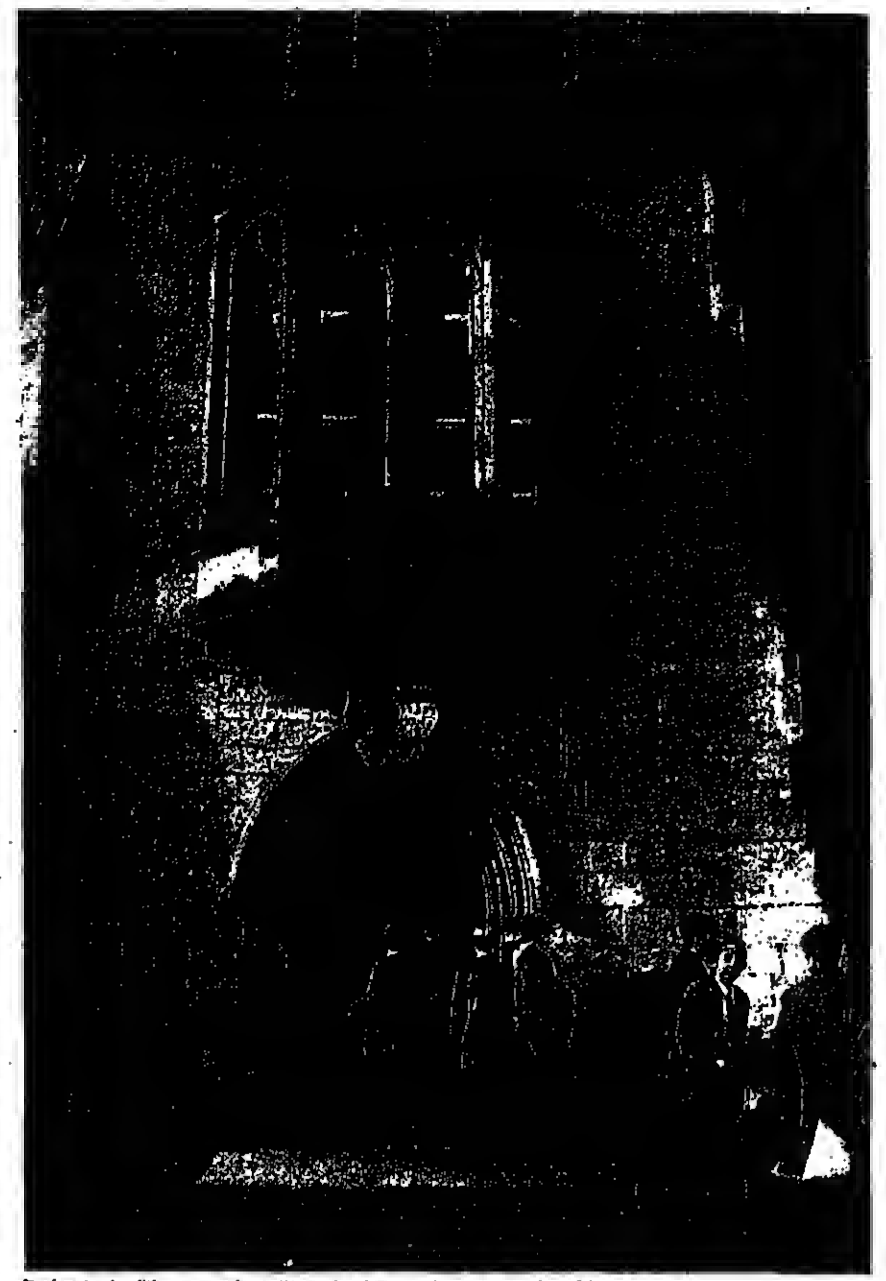
Other schemes are specifically designed to pay school fees, such as educational trusts. "Tied schemes usually impose penalties if the money is not spent on education and they are regarded as fiscally vulnerable because of their charitable status, which could well be removed by a change in government," says Mr Murrell.

■ It is never too soon to start saving – the best time is before the child is even planned. If you have chosen a flexible mix of investments and your plans change – your child wins a scholarship or you decide to emigrate – you can use the money for something else.

■ *Do not be too speculative.* Stock market investments go up and down but schools demand regular payment. It is best to mix stock market investments, such as unit or investment trusts held within a personal equity plan (Pep), with deposit-based investments for a stable backbone.

If you are choosing unit trusts for your Pep you could narrow your choice, from among the 1,500 or so on offer, to the tracker funds which have lower charges. Gartmore UK Index which tracks the FT-SE-A All-Share has an annual fee of 0.5 per cent and no initial charge, combined with top 25 per cent performance in the UK *general sector.*

Deposit-based investments include Tessas (tax-exempt special savings accounts) which allow you to save up



Paying for tradition: some boarding schools now charge more than £4,000 per term

to £9,000 over five years. Interest is tax-free if the account is held for its full five-year term.

National Savings products are another stabilising force. The new 42nd-issue savings

> It is never too soon to start saving for school fees – the best time is before the child is even planned

certificates pay a tax-free 5.85 per cent a year when held for five years. The return is equivalent to 9.75 per cent gross for a 40 per cent taxpayer (7.8 per cent gross for a lower-rate taxpayer). The maximum holding is £10,000 but husband and wife can each have a holding. The Children's Bonus Bond (Issue G) pays 7.85 per cent a year if held for five years but the maximum holding is £1,000.

Bear the interest rate cycle in mind. Now that interest rates look more likely to move up, it is probably a good idea not to put everything into *fixed-rate savings,* to avoid losing out on the possibility of higher guaranteed rates in the future.

Parents worried that their school fees will escalate might decide it is a good time to fix mortgage payments. If interest rates do rise, you have the security of knowing what your monthly mortgage payments are – even if school fees increase.

About two-thirds of parents sending children to private schools have not made financial plans to do so. If you are one of them and need to top up payments made out of income, you are likely to be restricted to taking out a loan.

Claremont Savile, independent financial adviser, runs a scheme for the Independent Schools Information *Service (Isis)* which is most suitable for those with a large amount of equity in their home. The mortgages are provided by Citibank Mortgage or Halifax building society and structured so that funds can be drawn down to meet the cost of fees up to four times a year. The maximum loan is 85 per cent of the property's value.

The mortgages are not based on endowment policies. Instead, Claremont Savile advises the use of a pension where possible and, depending on circumstances, a free-standing additional voluntary contribution, as the most tax-efficient way of repaying, although other options, such as a Pep can also be used.

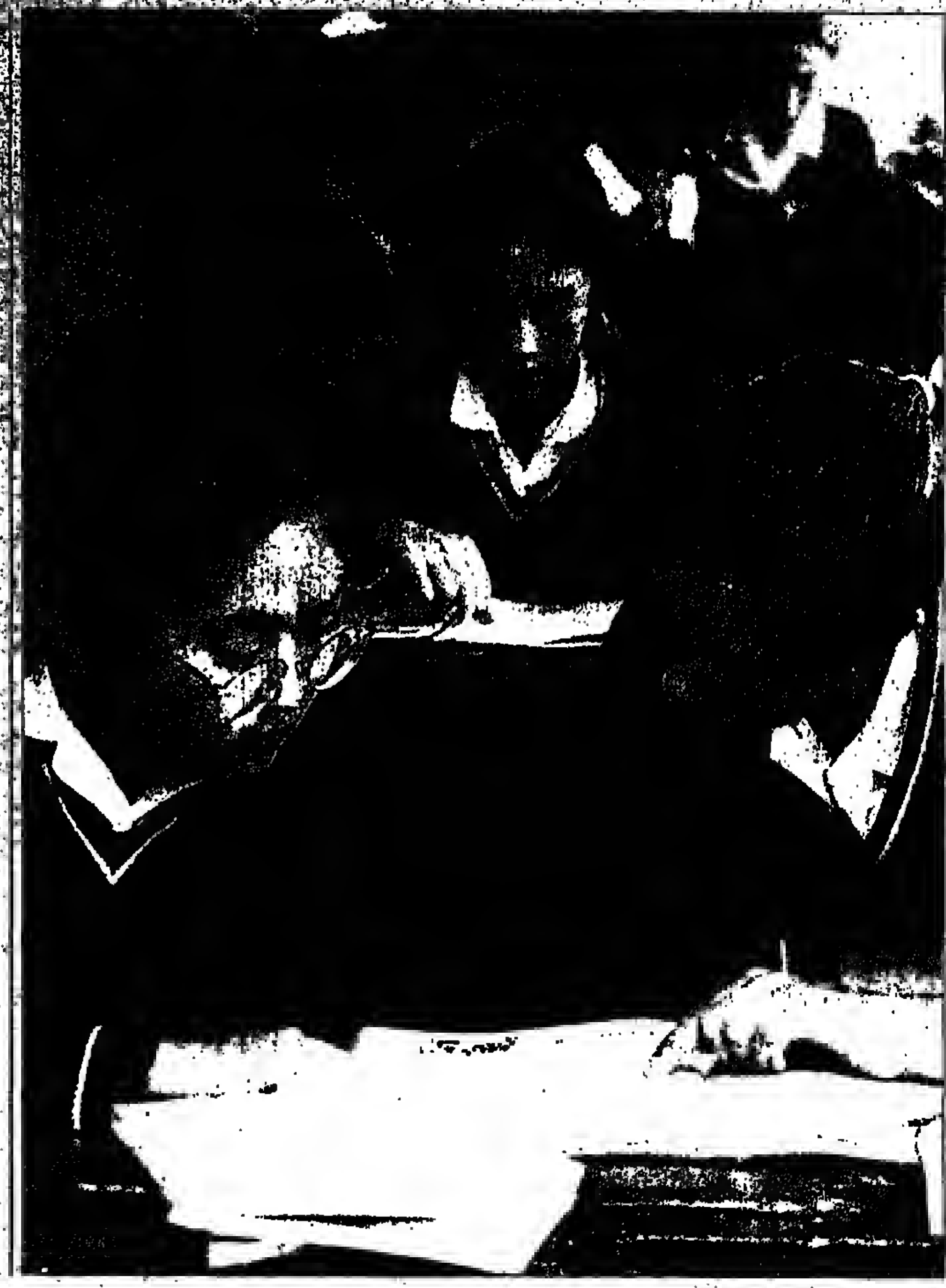
Finally, there is a limited amount of central and local government help. The Assisted Places Scheme pays for children from low-income families to go to independent schools, while some local authorities may be able to give *scholarships or bursaries.* Charitable bodies, some international organisations and professional associations may also be able to provide help. Further details about the relevant bodies to contact are available from Isis.

■ *Isis, 56 Buckingham Gate, London SW1E 6AG. Tel: 071-630 8793*

FINANCIAL TIMES

1,000

A GUIDE TO SECONDARY EDUCATION



AUTUMN 1994

Cover shows pupils at Croydon High School for Girls. Picture: Lydia van der Meer

SCHOOLS 1,000 Survey of secondary education

Always top of the class

A group of mainly single-sex, big-city day schools are well entrenched, says John Authers

In this third year of the FT-1,000 schools guide, readers might be forgiven for thinking they have seen it all before. League tables of schools based on A-level performance are an established feature of the educational landscape, and are telling a consistent story.

Fixed at the top of the table are a group of mainly single-sex big-city day schools. They are very selective, very academic and have traditions so well entrenched that standards are not going to change. For the record, Westminster this year overtook St Paul's for the top position, but these minor annual fluctuations need be of no concern to parents.

In the state sector, a select group of grammar schools again appears at the top of the table. Regular readers will be used to names such as King Edward VI Grammar School in Chelmsford, the Judd School in Tonbridge, and Colchester County High, all selective, and established performers.

The state sector's performance, compared with independents, was similar to last year's. There were eight in the top 100, the same as last year, and 20 in the top 200, down from 23. This year's top state school (Henrietta Barnett, a grammar school for girls in Hampstead, London) ranks 53rd, compared with last year's 37th by another girls' grammar, Colchester County High.

GCSE performance tables focused attention on the battle of the sexes earlier this year, as independent girls' schools dominated. At A-level, the gap is narrower, but in the independent sector, girls' schools have marginally out-performed boys', with results 13 per cent better than average compared to the boys' 11 per cent.

> Some results are quite spectacular when the pupils' backgrounds are taken into account

As league tables have become established, educationalists' attitude to them has changed.

From initial hostility – most heads still believe that they do more harm than good – there is acceptance that the statistics will not go away. Rather than fighting them, teachers now want to improve them.

Tim Brighouse, the chief education officer of Birmingham, who successfully sued former education secretary John Patten for libel, sums up the mood: "I think we now want more information rather than less to be published, and that would allow a more rounded picture."

For example, rankings might take into account the social background of the pupils, or their academic ability at the time they started at the school.

Both are hard to measure, but heavily affect final outcomes.

While A-levels and GCSEs provide well-understood performance indicators, there are few public tests taken by younger children, so it is hard to measure the value which secondary schools have added. Measures of social deprivation are controversial.

A ranking which took these factors into account would produce a very different table – which might come closer to telling parents what they truly need to know. Some comprehensives' results appear spectacular when the domestic circumstances of their pupils are taken into account.

For example, Tamsyn Imison, head of Hampstead comprehensive, says the school's name is misleading. She suggests it might be more accurately called "Cricklewood High". Of the school's 1,254 students, 55 per cent speak English as a second language, using any of 80 different languages at home. There are 150 refugees at the school.

Take this into account, and Hampstead's ranking of 414th, above average for the 1,000 schools in the survey, looks very impressive. It might do even better in a "value-added" table.

Selective grammar schools, whose performances in league tables seem rather stronger, take a similar atti-

Continued on next page

Lydia van der Meer

Window of opportunity: A-levels can be the gateway to a highly-prized university education

SCHOOLS 1,000 Tutorial colleges

Half-way houses

From previous page

feels more like a university than a school.

Its size helps in other respects. Colchester finished third in the national swimming championships – behind Millfield and Kelly, both of which specialise in the sport.

The advantages of scale are great, and league tables often fail to reflect them. The UK's largest comprehensive - the Stantonbury Campus in Milton Keynes – also resembles a university more than a school, with fine theatre and sporting facilities available to the community. Its aggregate results may look less impressive but still include examples of excellence.

Elsewhere, urban schools have countered threats to their sixth forms by starting sixth-form consortia and by pooling resources, allowing students to take an A-level at another school if there is insufficient demand for it at their own.

One outlandishly named example in the FT-1,000 is La SWAP in north-west London. This is a joint operation of La Sainte Union, William Ellis, Acland Burghley, and Parliament Hill schools in Camden, London. Its position, barely below average for the FT-1000, in an area where it competes against some of the most selective academic schools, is also better than it appears.

Beyond cramming

John Authers on the rise of tutorial colleges as alternatives to school

In the exam, will we need to draw the curves with a ruler?

That question, asked in an economics session at Davies's College near Russell Square in London, suggests that tutorial college students are more exam-orientated than most. The tutor, incidentally, said that it would be a little excessive.

Tutorial colleges are odd institutions, but have built up a reliable market in the past few years. Typically based in large Georgian houses in central London, or in regional academic centres such as Oxford, Cambridge or Exeter, colleges charge high fees in return for working students hard in a relaxed environment.

They do not fit standard A-level performance tables, despite their concentration on exams – for example many students are making their second or third attempts, and may be taking only one subject – and so have not been included in the FT-1,000. However, they do provide a distinct option for two separate markets.

The first is as an alternative to school for sixth-formers reacting against school discipline. Most of them offer two-year courses, with extras to improve students' chances of reaching higher education. These may include tuition in information technology, and general studies – although not usually the wealth of activities provided in a school. This is most attractive to students who have lost patience with boarding schools or who are faring badly at day schools.

The second is for people whose A-level grades were too low the first time. Many are would-be medics who must achieve A and B grades. Others are simply aiming for grades to secure them a university place.

Discipline is relaxed, but only because tutors know they can rely on parental support. At Mander Portman Woodward, in Cromwell Road, west London – the biggest UK tutorial college – a secretary knocks on the door of each class 10 minutes after it begins and if anyone is absent their parents are telephoned immediately.

This gives tutors the confidence that their students are working, so they can use teaching methods which could seem progressive in another context. There are no restrictions on uniform – lurid hairstyles which would not be tolerated at traditional public schools are allowed without a murmur – and students are allowed to smoke during breaks. According to Fiona Dowding, co-principal of MPW, this gives students less to rebel against.

Teaching usually involves the students and the tutor sitting around a table. Class sizes are small – MPW limits them to seven, and Davies's to eight – so tuition sessions

> Each class is visited 10 minutes after it begins and if anyone is absent their parents are telephoned

are swift and intense, with students usually on first name terms with their tutors. More traditionally, there are weekly tests, and personal tutors provide advice on how pupils should plan their study.

Is this "cramming"? Dowding accepts the word to describe re-take classes. "That's plainly what we're offering," she says.

But she denies another claim, that tutorial colleges are anti-intellectual. Even in a re-take class for history, students are bombarded with topics and asked their relevance to set questions. While it is directly linked to the exam, it is intellectually taxing, and requires genuine understanding of the subject, Dowding says.

Most colleges have also diversified from re-take "cramming". Two-year courses are just as intense, with students plied with questions, but they are far less rigorously focused on the exam.

Fees are roughly equivalent to those of boarding schools. At MPW, for example, a student taking three A-levels over two years would pay £2,887 per term – equivalent to £17,322 for the full two-year course. This is an expensive alternative to two years in sixth form at an independent day school.

Winter retakes are charged by the subject – the exam in January will cost £1,685. For November, fees are slightly less at £1,106 per term. At Davies's, retakes cost £1,500 per subject.

Choosing a tutorial college is a difficult process which often starts with recommendations from secondary school teachers. Many colleges are members of the Conference for Independent Further Education (Cife), and results are independently audited by Gabbitas Educational Consultants. These are provided in terms of grade improvement – most colleges aim to add at least two grades to each A-level taken – and in over*all "raw" figures.*

Both are sources of information for people considering a tutorial college.

Gabbitas suggests a series of steps to consider. Parents should check which examination boards colleges use, as only three boards offer exams in the winter, and not in all subjects. Prospectuses also require scrutiny, as fees are not always directly comparable.

Parents should also beware of pirates. Colleges with fewer than five students under the age of 16 do not need to be registered by the Department for Education. It is therefore advisable to ask if they are accredited either by Cife, or the British Accreditation Council – if they are not, ask why.

■ *Conference for Independent Further Education: 0233-820797*
■ *Gabbitas Educational Consultants: 071-734 0161*

SCHOOLS 1,000 Sixth-form colleges

Calling at half-way houses

John Authers on the appeal of informality

If pupils want to escape school at 16, but want a "halfway house" *before going to university*, sixth-form colleges may be the answer.

More than 100 have been set up in the past two decades by local authorities mostly trying to save money – they can be more economical than maintaining small sixth forms at schools.

The government is showing signs of halting this, with the Department for Education giving the go-ahead for several 11-16 schools to start sixth forms. Former education secretary, John Patten, had said they were like "a body without a head". All sixth-form colleges have been removed from local authority control, and are funded on the same basis as further education colleges.

But the colleges, at least in some cases, are beginning to show their worth. Judging them for league table purposes is difficult because their large size – one of their prime advantages as it allows them to provide a broader, more flexible curriculum – makes it harder for them to sustain a high average points score.

Most are non-selective and cater for students doing mainly vocational courses. It is common for students to take a vocational course plus an A-level in maths, which would show up badly in the FT rankings.

Some further education colleges offer no A-levels, or only offer them as access courses for adults, which should not be compared with teaching 18-year-olds. Others offer full-time A-level courses as an addition to vocational training, but these are not included, as it would be unfair to take A-level results as a measure of overall performance.

The Department for Education's league tables tackle these problems by quoting the average UCAS points for candidates who attempt two or more A-levels, and for those who attempt fewer than two. This separates those taking an A-level to top up a vocational course from students taking a fully academic course.

The sixth-form colleges in the FT's table (above) are all primarily academic, and their results cover all pupils who attempted A-levels. Once it is taken into account that they are offering broad curricula and entering as many as 700 candidates each year, some of their results seem spectacular.

As usual, catchment areas are the prime determinant of success, with Cambridge's Hills Road Sixth Form College topping the rankings.

Colchester Sixth Form College is perhaps the most dramatic example of the benefits of large scale. Entering around 700 candidates each year, it takes students regularly from nine schools, and attracts many more from outside its catchment.

It offers 40 A-level subjects including law, physical education, and philosophy. Students are also offered 19 subjects at AS-level, allowing them more opportunities to achieve a balance between arts and sciences than with conventional A-levels.

The college also regularly manages to find places at Oxford and Cambridge for about 15 students each year. Its top 100 candidates this year gained an average of 33.07 UCAS points, which ranks the college among academic giants like Westminster and St Paul's.

This was achieved despite the presence in Colchester of two of the country's most successful grammar schools, which both take 100 pupils each year. Although the college is over-subscribed, many students have failed a grammar school entrance exam.

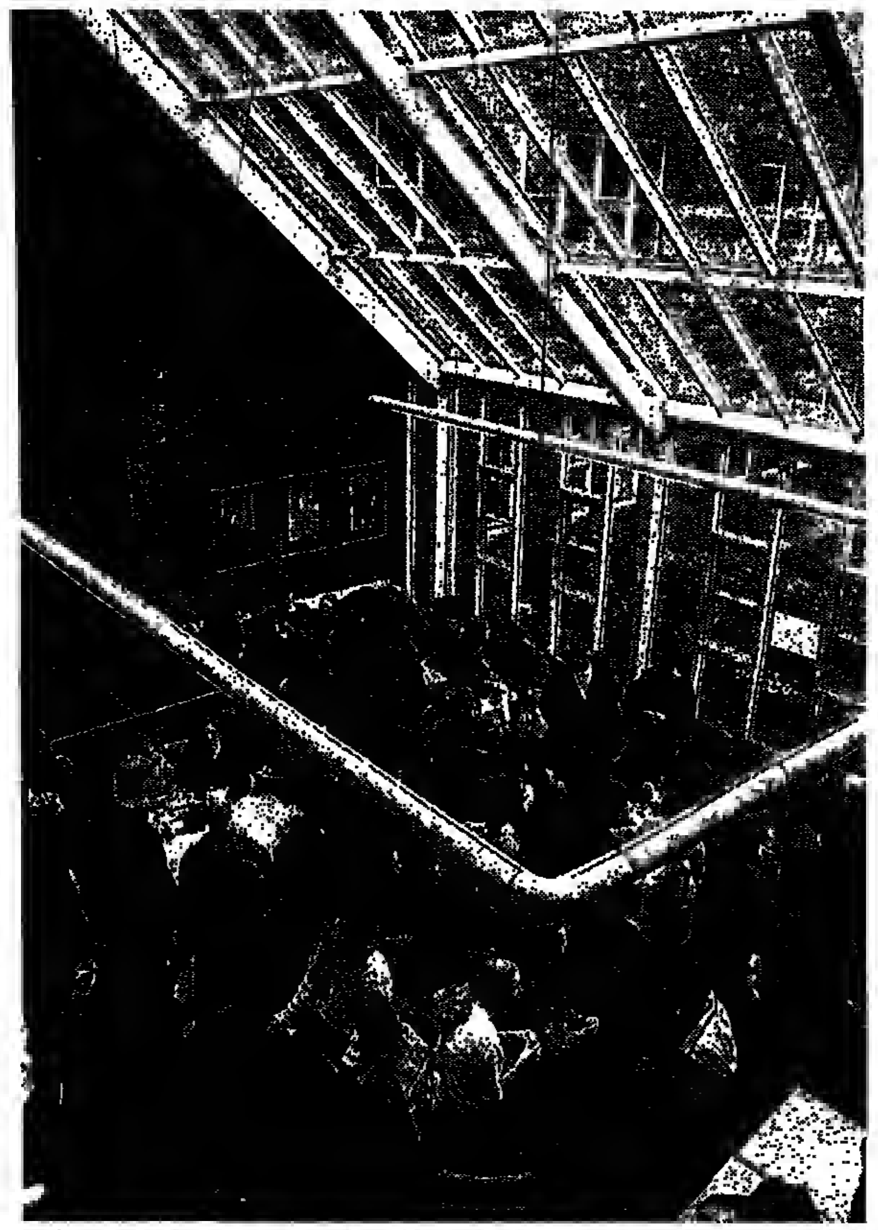
Principal John Edwards says that some parents are worried by the informality – there is no uniform, and staff are addressed by their first names.

Internal politics also resembles a university union, with elected student representatives having a voice in college policies. During breaks the college, based around old school buildings in the centre of Colchester,

Continued on next page

FT 1,000 Top 10 Sixth-form colleges

Rank	College	No of candidates	FT score
111	Hills Road, Cambridge	427	1.29
268	Woodhouse College, London	305	1.13
369	Worthing, West Sussex	366	1.06
444	King Edward VI, Stourbridge	407	1.02
492	Shrewsbury, Shropshire	321	0.99
545	Greenhead College, Huddersfield	384	0.97
551	Colchester, Essex	878	0.97
606	John Leggott College, Scunthorpe	500	0.94
716	Paston, North Walsham, Norfolk	187	0.88
724	Priestley College, Warrington	223	0.88



Pupil power: Colchester Sixth-Form College feels more like a small university — Lydia van der Meer

SCHOOLS 1,000 Survey of secondary education

FT 1,000 Top 50 Schools

Rank	School	FT score	Type	Sex	Fees per year Day	Fees per year Boarding
1	Westminster School, London	1.68	IDy	B	9210	12900
2	Eton College Windsor, Berkshire	1.67	IBd	B	-	12384
3	St Paul's School, London	1.66	IDy	B	7782	12057
4	Winchester College, Winchester, Hampshire	1.65	IBd	B	9591	12786
5	North London Collegiate Edgware, London	1.59	IDy	G	4611	-
6	Royal Grammar School, Guildford, Surrey	1.56	IDy	B	5772	-
7	Manchester GS, Manchester	1.55	IDy	B	3990	-
8	Downe House, Newbury, Berkshire	1.54	IBd	G	8850	11835
9	K E Vith High for Girls, Birmingham, West Midlands	1.54	IDy	G	4020	-
10	St Paul's Girls' School, London	1.53	IDy	G	6012	-
11	King's College School, London	1.52	IDy	B	5940	-
12	King Edward's School Birmingham, West Midlands	1.51	IDy	B	4260	-
13	Lady Eleanor Holles, Hampton, Greater London	1.51	IDy	G	4755	-
14	Malvern Girls' Coll Malvern, Hereford and Worcester	1.51	IBd	G	7350	11025
15	Wycombe Abbey School, High Wycombe, Bucks	1.50	IBd	G	8910	11880
16	Withington Girls School, Manchester	1.49	IDy	G	3585	-
17	Guildford High for Girls, Guildford, Surrey	1.49	IDy	G	4821	-
18	Sth Hampstead HS, London	1.48	IDy	G	4428	-
19	Badminton School, Bristol, Avon	1.48	IBd	G	5925	10725
20	University College School, London	1.48	IDy	B	6495	-
21	Bradford GS, Bradford, West Yorkshire	1.48	IDy	B	3810	-
22	Haberdashers' Aske's for Girls, Elstree, Herts	1.47	IDy	G	3915	-
23	Radley College, Abingdon, Oxfordshire	1.47	IBd	B	-	11850
24	Cheltenham Ladies' College, Cheltenham, Gloucs	1.47	IBd	G	7500	11805
25	Haberdashers' Aske's, Borehamwood, Herts	1.46	IDy	B	5334	-
26	Perse School, Cambridge, Cambridgeshire	1.45	IDy	B	4215	-
27	Roedean School, Brighton, East Sussex	1.45	IBd	G	-	12405
28	Perse School for Girls, Cambridge, Cambridgeshire	1.44	IDy	G	4275	-
29	Abingdon School, Abingdon, Oxfordshire	1.44	IDy	B	5010	9420
30	Godolphin & Latymer, London	1.44	IDy	G	5365	-
31	City of London School, London	1.43	IDy	B	5853	-
32	Notting Hill & Ealing High, London	1.43	IDy	G	4428	-
33	Brighton & Hove High, Brighton, East Sussex	1.42	IDy	G	3804	-
34	Harrow School, Harrow on the Hill, London	1.41	IBd	B	-	12900
35	Epsom College, Epsom, Surrey	1.41	IDy	B	8286	11151
36	Tonbridge School, Tonbridge, Kent	1.41	IBd	B	8715	12351
37	Bablake School, Coventry, West Midlands	1.41	IDy	C	3495	-
38	Oundle School, Peterborough, Northants	1.41	IBd	B	4764	12450
39	Abbey School, Reading, Berkshire	1.40	IDy	G	3960	-
40	Queen's School, Chester, Cheshire	1.40	IDy	G	4050	-
41	Wimbledon High School, London	1.40	IDy	G	4428	-
42	King's School, Canterbury, Kent	1.40	IBd	C	8490	12300
43	Oxford High School, Oxford, Oxfordshire	1.40	IDy	G	3504	-
44	City of London Sch for Girls, London	1.39	IDy	G	4716	-
45	Charterhouse, Godalming, Surrey	1.39	IBd	B	10083	12222
46	Shrewsbury School, Shrewsbury, Shropshire	1.39	IBd	B	8355	11850
47	St Swithun's School, Winchester, Hampshire	1.39	IDy	G	6465	10695
48	Portsmouth GS, Portsmouth, Hampshire	1.39	IDy	B	4356	-
49	Merchant Taylors' School, Northwood, London	1.38	IDy	B	6351	10800
50	York College for Girls, York, North Yorkshire	1.38	IDy	G	4884	-

Always top of the class

From previous page

tude. David Levin, headmaster of Royal Grammar School, High Wycombe – top boys' state school for the second year running – says the school aims to select the top 25 per cent of boys academically in its catchment area, and there is no point in comparing it with comprehensives or "super-stream" schools which take less than 10 per cent of the age group.

Attempts to rank schools according to the value they have added between GCSE and A-level reveal a confusing picture. Figures produced by the Department for Education suggest that independent schools add more than state schools between GCSE and A-level.

A more detailed survey by Peter Tymms of Newcastle university suggests a much more limited effect. Comparing exam results achieved at state schools with independent schools which were part of the Assisted Places Scheme, he found that pupils in sixth-form colleges and independent schools were likely to get 0.3 and 0.25 of a grade better respectively than pupils who had started out with similar GCSEs at a comprehensive.

It also showed that students' chances of gaining a high A-level grade were related to the average GCSE grades of the whole group. For every GCSE grade, overall, by which a schools' A-level candidates were above the average, each student would be expected to gain an extra 0.37 of an A-level grade.

This can be explained by large groups of academically able students "sparking" each other. Tymms suggests this might lead to two separate policies: "Does it make sense to separate out the very able so that they can feed, intellectually, on one another or should their beneficial influence be as widely spread as possible?"

> Students' chances of a high A-level grade were related to average ability of the whole group

Such complex analysis may make the existing FT-1,000 obsolete, as it does not measure value-added. However, it provides a sophisticated analysis of schools' A-level results. Compiled after months of research, questionnaires were sent to the 1,100 top-performing state schools as measured by last year's government statistics. These represent one third of state schools teaching A-levels.

In addition, the Independent Schools' Information Service (Isis) supplied compatible data on more than 500 of its members. Head teachers were sent proofs before the tables were finalised, to allow them to correct errors.

No school with fewer than 10 A-level candidates is included in our table, as they are prone to fluctuations which are not statistically significant.

Only A-level results count towards a school's ranking. Schools which took part in *this year's pilot of advanced* General National Vocational Qualifications, intended as a vocational alternative to A-levels and good for university entrance, have not had these results included. Only 3,000 students took the qualifications this year. But 50,000 students should be leaving the sixth form with GNVQs in 1996. If this happens, A-level league tables will need drastic adjustment.

Continued on Page 5

SCHOOLS 1,000 Scotland

Scotland ready to rule

John Authers on why the Scottish system is increasingly envied south of the border

Alumni of Scottish independent schools may soon be running the country. Prince Charles is an old boy of Gordonstoun, one of the remotest schools in the UK based in the northern Highlands, while Tony Blair, the leader of the opposition, is a graduate of Fettes, an Edinburgh boarding school.

However, Scottish schools with the exception of Gordonstoun, are not included in the FT-1,000 as they offer Scottish qualifications. Many offer A-levels, but Gordonstoun is the only one to do so exclusively. It is ranked 386th, but the philosophy of its founders was ambitious and the school is even less likely than most to accept judgment purely in terms of its academic results.

The others offer more of a "mixed economy" of A-levels and Scottish qualifications, which are increasingly envied south of the border.

Proposals by the Headmaster's Conference – which includes the top four schools in the FT-1,000 – to reform the A-level structure to allow more flexibility, and by the Committee of Vice-chancellors and Principals, representing universities, to reform A-level syllabuses so that five subjects become the norm, would both mean moving in the direction of the Scottish system.

However, the mixed Scottish system defies adequate ranking. There is no agreed conversion table between highers and A-levels – although highers are accepted at most English universities – and different schools might legitimately have different approaches.

Some take highers later because they need more time, others to take extra subjects. For some the final year is irrelevant as they already have the fifth-year highers needed to go to a Scottish university.

Therefore, the FT has made no attempt to rank them academically. Examination of the proportions gaining A- and B-grades in highers does, however, suggest that the big-city day schools tend to fare best.

Scotland has arguably the two most fiercely competitive markets for day pupils in Britain, in Edinburgh and Glasgow. Both have several well-established day schools fishing from a small pool of families able to pay independent school fees. As the table shows, Dundee and Aberdeen also have big independent day schools.

Teaching tradition: Glenalmond College in Perthshire was founded by Gladstone in 1841

The boarding schools are more eclectic. Fettes, a Victorian-Gothic construction near the centre of Edinburgh, has a strong high-church tradition. Glenalmond – with architecture designed to match Trinity College, Cambridge – was set up by Gladstone, the former prime minister, and stands in dramatic open Perthshire countryside.

Despite the apparently remote locations, most of the boarding schools are within easy reach of the bulk of the Scottish population.

In practice, most boarders tend to be either from Scotland or the North of England, while there is also a pocket of "expatriate Scots" from London.

Glenalmond is trying to encourage more English pupils by promoting the advantages of the Scottish system – which used to be regarded as a problem. It says the flexibility will attract many, while the rigorous standards needed for medicine degree courses might be easier to achieve if taken gradually via highers.

Scottish schools also offer a lot for those who want clean air and wide open spaces, and the Duke of Edinburgh's award scheme is usually on offer. Gordonstoun has a 150-acre estate, including over a mile of shoreline on the Moray firth, while the big-city day schools also offer pupils outdoors pursuits.

Kelvinside Academy, a Glasgow boys' school, has its own house in the Cairngorms for skiing and hill-walking – a valuable opportunity for inner-city boys.

Fees for both boarding and day schools are in line with rates charged for independent schools elsewhere in the UK. Last year's average boarding fee per term was £3,259, compared with £3,261 for the nation as a whole.

Day schools tend to be cheaper than in England, at £1,222 per term (against an average of £1,262).

Full details of schools' performance in GCSEs and Standard grades, taken by 16-year-olds, and in Certificate of Sixth-Year Studies, are available from the Scottish Council of Independent Schools.

● *Scottish Council of Independent Schools, Floor 2/1, 11 Castle Street, Edinburgh EH2. 031 220 2106.*

Scottish 'Higher' system offers students greater flexibility than English A-levels

The Scottish examination system differs radically from the one used south of the border.

At 16, Scottish pupils usually take Standard grade exams, rather than the GCSEs offered in England and Wales. Studies in the Scots' fifth and sixth years – lower and upper sixth in England – offer more variety than A-levels.

Usually, public exams are taken at the end of both years. In either year, pupils can take Scottish Certificate of Education Higher Grade exams ("Highers"). Typically, pupils will attempt four or five subjects in the fifth year, which will form the backbone of their university applications.

It is also possible to attempt Highers over two years, taking them in the sixth year, or to take extra subjects in that year. Alternatively, students can take the Scottish Certificate of Sixth Year Studies, more specialised and intended as a bridge to higher education – figures for this qualification are not included here.

Finally, several institutions – mostly boarding schools – offer A-levels and Scottish qualifications.

For each qualification, a school is excluded from the table if it has made fewer than 10 entries. In each case, we print the number of entries made, and the number resulting in the top A- and B-grades.

SCOTLAND'S TOP INDEPENDENT SCHOOLS

School	Level	Total 5th Yr	Cands	Subject entries	Gr A	Gr B
Albyn School for Girls, Aberdeen	6th yr Highers	34	27	60	11	14
	5th yr Highers	44	44	171	43	67
Belmont House School, Glasgow	6th yr Highers	12	12	32	0	6
	5th yr Highers	64	34	123	24	37
Craigholme School, Glasgow	6th yr Highers	42	30	83	15	21
	5th yr Highers	50	50	214	34	56
Daniel Stewart's & Melville Coll, Edinburgh	6th yr Highers	100	80	183	20	42
	5th yr Highers	122	122	555	166	171
Dollar Academy, Clackmannanshire	6th yr Highers	113		216	60	64
	5th yr Highers	126		548	141	171
Dundee High School, Dundee	6th yr Highers	114	100	237	16	56
	5th yr Highers	163	132	585	194	194
The Edinburgh Academy, Edinburgh	6th yr Highers	83	39	107	9	94
	5th yr Highers	79	76	246	43	90
	A Level		64	160	56	47
Fernhill School, Glasgow	6th yr Highers	11	9	19	6	9
	5th yr Highers	29	28	123	45	40
Fettes College, Edinburgh	6th yr Highers	74	47	175	37	59
	5th yr Highers	82	17	17	5	5
	A Level		39	115	27	38
George Heriot's School, Edinburgh	6th yr Highers	138	109	220	20	56
	5th yr Highers	156	156	689	196	227
George Watson's College, Edinburgh	6th yr Highers	160	159	368	55	86
	5th yr Highers	220	205	843	265	290
Glasgow Academy, Glasgow	6th yr Highers	102	90	191	12	42
	5th yr Highers	105	105	450	115	132
	A Level		45	77	20	14
The High School of Glasgow	6th yr Highers	81	60	114	23	25
	5th yr Highers	95	95	444	205	149
Glenalmond College, Perth	6th yr Highers		21	97	10	34
	5th yr Highers		15	15	1	7
	A Level		53	157	28	40
Hamilton College, Hamilton	6th yr Highers	51	51	169	30	49
Hutchesons' Grammar School, Glasgow	6th yr Highers	139	115	254	37	69
	5th yr Highers	200	200	976	454	289
	A Level		57	102	37	22
Keil School, Dumbarton	6th yr Highers	22	16	46	4	6
	5th yr Highers	44	44	158	30	40
Kelvinside Academy, Glasgow	6th yr Highers	49	43	126	12	37
	5th yr Highers	70	69	259	44	99
	A Level		14	25	9	4
Kilgraston School, Bridge of Earn	6th yr Highers	20	17	46	2	26
	5th yr Highers	38	37	133	26	39
	A Level		10	12	4	0

School	Level	Total 6th Yr	Cands	Subject entries	Gr A	Gr S
Laurel Bank School, Glasgow	6th yr Highers	35	31	70	6	21
	5th yr Highers	40	40	160	56	49
Lomond School, Helensburgh	6th yr Highers	41	33	51	6	19
	5th yr Highers	61	59	203	45	51
	A Level		31	29	2	6
Loretto School, Musselburgh	6th yr Highers	78	48	70	7	23
	A Level		76	235	49	40
Mary Erskine School, Edinburgh	6th yr Highers	86	57	151	15	32
	5th yr Highers		104	459	146	164
Merchiston Castle School, Edinburgh	6th yr Highers	65	35	141	22	30
	A Level		30	90	32	23
Morrison's Academy, Crieff	6th yr Highers	72	53	136	14	41
	5th yr Highers	107	106	486	120	103
	A Level		36	74	16	17
Park School, Glasgow	6th yr Highers	26	23	52	10	17
	5th yr Highers	41	41	169	29	65
	A Level		13	15	5	8
Rannoch School, Rannoch	6th yr Highers	54	51	200	24	65
Robert Gordon's College, Aberdeen	6th yr Highers	103	69	220	17	60
	5th yr Highers	149	149	684	204	220
Rudolf Steiner School, Edinburgh	6th yr Highers	20	23	68	10	16
	A Level		10	10	4	1
St Aloysius' College, Glasgow	6th yr Highers	93	65	216	39	68
	5th yr Highers	129	126	597	171	140
	A Level		58	93	10	21
St Columba's School, Kilmacolm	6th yr Highers	37	33	64	17	25
	5th yr Highers	49	49	207	91	80
St Denis and Cranley School, Edinburgh	6th yr Highers	16	14	32	0	6
	5th yr Highers	13	11	67	4	13
St George's School for Girls, Edinburgh	6th yr Highers	57	55	253	98	101
	5th yr Highers	79	68	270	83	103
	A Level		37	76	34	23
St Leonards School, St. Andrews	6th yr Highers	55	23	56	6	14
	A Level		46	131	40	37
St Margaret's School for Girls, Aberdeen	6th yr Highers	26	23	91	9	15
	5th yr Highers	95	35	147	50	54
St Margaret's School, Edinburgh	6th yr Highers	65	64	122	15	39
	5th yr Highers	63	62	241	49	69
St Serf's School, Edinburgh	6th yr Highers	13	13	35	1	6
	5th yr Highers	16	16	50	19	14
Strathallan School, Perth	6th yr Highers	99	64	291	45	106
	A Level		61	161	40	39
Wellington School, Ayr	6th yr Highers	36	60	62	6	12
	5th yr Highers	49	49	185	60	54

SCHOOLS 1,000 Listings

Rank	School	Town	Type	FT score	Points/ entry	Points/ pupil	Passes/ pupil	Number of candidates	Religion	Total pupils	Male %	Boarders %	Fees per annum £ Day	Boarding
WEST YORKSHIRE														
801	Abbey Grange High	Leeds	CO	0.84	5.0	13.5	2.3	53	CE	1100	45	D	-	-
382	Ackworth School	Pontefract	I	1.06	6.2	17.3	2.7	43	NC	510	42	33	5167	9105
972	Allerton High	Leeds	C	0.88	4.0	11.4	2.2	59	ID	1134	50	D	-	-
310	Batley Grammar School	Batley	I	1.10	6.1	19.2	2.9	71	CE	579	97	D	3390	-
597	Benton Park	Rawdon, Leeds	C	0.89	5.3	14.4	2.5	85	ID	1400	50	D	-	-
71	Bradford Girls' Grammar	Bradford	I	1.34	7.6	23.1	3.1	76	CE	892	2	D	3852	-
21	Bradford Grammar School	Bradford	I	1.48	7.9	26.5	3.5	148	ID	1106	97	G	3810	-
665	Brigshaw	Castleford	C	0.90	5.1	15.3	2.7	35	ID	676	54	G	-	-
784	Brooksbank	Elland	CO	0.85	5.1	13.4	2.3	54	N	1267	50	D	-	-
726	Calder High	Halifax	C	0.88	5.4	13.7	2.2	86	ID	1197	54	D	-	-
740	Garforth	Garforth, Leeds	C	0.87	5.2	14.2	2.5	109	ID	1604	49	D	-	-
487	Gateways School	Leeds	I	1.01	5.9	16.6	2.6	15	ID	284	0	D	3369	-
549	Greenhead College	Huddersfield	S	0.97	5.8	15.5	2.5	364	ID	971	47	D	-	-
303	Guiseley	Guiseley	C	1.11	9.4	18.5	2.6	73	-	1100	50	D	-	-
694	Hipperholme Grammar School	Halifax	I	0.89	5.1	16.0	2.6	90	ID	373	49	D	3284	-
819	Horsforth	Horsforth, Leeds	C	0.76	4.6	12.2	2.1	80	ID	1193	40	D	-	-
668	Ilkley Grammar	Ilkley	C	0.90	5.3	14.9	2.5	111	-	1056	47	D	-	-
997	Intake High	Leeds	C	0.63	3.5	10.9	2.3	11	ID	1020	55	D	-	-
143	Leeds Girls' High School	Leeds	I	1.24	6.0	21.5	2.0	83	ID	991	6	D	4092	-
92	Leeds Grammar School	Leeds	I	1.30	7.2	22.8	3.2	120	CE	1175	100	D	4104	-
838	North Halifax Grammar	Halifax	GO	0.92	5.6	14.6	2.4	59	ID	746	45	D	-	-
475	Prince Henry's	Otley	C	1.00	5.8	10.9	2.5	62	ID	1215	52	D	-	-
244	Queen Elizabeth Grammar	Wakefield	I	1.15	6.4	19.6	2.8	93	ID	744	100	D	3946	-
856	Rishworth School	Sowerby Bridge	I	0.81	4.7	13.9	2.2	43	CE	582	55	19	4620	8940
765	Salt Grammar Upper	Baildon, Bradford	CI	0.85	5.0	13.7	2.3	66	N	962	53	D	-	-
747	Silcoates School	Wakefield	I	0.87	4.9	14.6	2.6	51	NC	576	80	2	6150	8130
966	St John Fisher RC High	Dewsbury	CHC	0.69	6.9	11.9	2.3	35	CS	999	50	D	-	-
824	Temple Moor High	Leeds	C	0.83	4.0	19.2	3.2	24	N	875	61	D	-	-
806	The Fulneck Foundation (Girls)	Pudsey	I	0.84	4.8	14.1	2.4	19	NC	648	48	6	4488	8400
892	Thornton Grammar	Thornton, Bradford	COI	0.79	5.1	11.4	1.6	41	ID	968	58	D	-	-
122	Wakefield Girls' High School	Wakefield	I	1.27	7.2	21.8	2.9	91		766	0	D	3945	-
629	Wetherby High	Wetherby	C	0.92	5.0	18.5	2.8	58	ID	738	51	D	-	-
670	Woodhouse Grove School	Apperley Bridge	I	0.80	4.6	13.3	2.4	70	NC	562	63	22	6025	8535
COUNTY AVERAGE				0.85	5.4	15.9	2.5	73		619			4161	8622
WILTSHIRE														
467	Bishop Wordsworth's Grammar	Salisbury	GO	1.00	5.8	17.0	2.7	90	CE	705	100	D	-	-
397	Clarendon School	Trowbridge	C	1.04	6.3	16.8	2.5	47	-	994	52	D	-	-
744	Corsham	Corsham	C	0.87	5.3	13.8	2.3	46	N	959	52	D	-	-
191	Dauntsey's School	Nr. Devizes	I	1.21	6.8	21.3	3.4	113	ID	641	56	46	6249	10146
364	Godolphin School,The	Salisbury	I	1.06	6.0	18.3	3.0	44	CE	401	0	63	6150	10266
766	Kingdown	Warminster	C	0.86	5.2	13.7	2.4	51	ID	1356	51	D	-	-
634	La Retraite School	Salisbury	I	0.92	6.3	15.4	2.8	15	CS	201	7	D	4260	-
771	Malmesbury	Malmesbury	C	0.86	5.0	14.0	2.4	72	ID	883	50	D	-	-
199	Marlborough College	Marlborough	I	1.19	6.8	20.8	3.0	186	CE	811	67	97	8550	12120
710	Ridgeway	Wroughton	C	0.86	5.4	14.0	2.4	68	CE	1310	52	D	-	-
776	Sheldon	Chippenham	CO	0.85	5.0	13.8	2.5	56	ID	1123	48	D	-	-
402	South Wiltshire Girls Grammar	Salisbury	GO	1.04	6.0	17.2	2.8	101	ID	787	0	D	-	-
675	St Joseph's	Swindon	CO	0.90	5.5	14.1	2.4	55	CS	1114	40	D	-	-
757	St Laurence	Bradford-on-Avon	C	0.87	5.1	14.2	2.5	102	CE	1190	50	D	-	-
63	St Mary's School	Calne	I	1.35	7.6	23.2	3.0	45	CE	314	0	89	6510	11010
776	Stonar School	Melksham	I	0.85	6.0	14.0	2.4	49	CE	554	2	48	5086	9180
594	Warminster School	Warminster	I	0.94	5.4	15.7	2.7	34	CE	332	61	59	5085	8700
COUNTY AVERAGE				0.88	5.7	16.3	2.8	68		803			9984	10238
NATIONAL AVERAGE				1.00	5.8	17.0	2.6	77		796			5315	9836

An FT score of 1.00 = the FT-1000 national average. I = Independent school. G = Grammar school. C = Comprehensive school. For detailed key, see page 5

SCHOOLS 1,000 Listings

Rank	School	Town	Type	FT score	Points/ entry	Points/ pupil	Passes/ pupil	Number of candidates	Religion	Total pupils	Male %	Boarders %	Fees per annum £ Day	Boarding
SURREY (cont.)														
172	St Catherine's School	Guildford	I	1.22	5.8	21.1	3.0	34	CE	425	0	29	5445	8925
936	St David's School/Halliford	Ashford	I	0.75	4.3	12.6	2.3	34	CE	243	0	14	4950	6595
518	St George's/St. Maur's	Weybridge	I	0.98	5.6	18.4	2.7	76	CS	466	95	0	6255	-
971	St John The Baptist RC	Kingfield,Woking	COf	0.68	4.0	11.2	2.2	62	CS	820	50	0	-	-
242	St John's School	Leatherhead	I	1.15	6.4	18.7	2.8	88	CE	358	94	32	6900	9600
618	St Maur's/St. George's	Weybridge	I	0.98	5.6	16.4	2.7	78	CS	630	1	0	4725	-
929	St Pauls RC	Sunbury-on-Thames	COf	0.75	3.7	14.5	3.0	21	CS	850	50	0	-	-
259	St Teresa's School	Dorking	I	1.14	5.2	19.9	3.3	32	CS	362	0	33	4785	10335
932	Strode's College	Egham	S	0.75	4.7	11.4	2.1	318	-	786	43	0	-	-
358	Therfield	Leatherhead	C	1.07	8.3	17.4	2.7	78	ID	1219	52	0	-	-
456	Tomlinscote	Frimley	C	1.01	5.8	16.7	2.7	112	-	1312	53	0	-	-
99	Tormead School	Guildford	I	1.30	7.3	22.1	3.0	34	ID	589	0	0	4860	-
52	Woldingham School	Woldingham	I	1.38	7.8	23.7	3.1	82	CS	489	0	83	6809	10914
336	Yateley School	Camberley	C	1.09	6.2	18.3	3.0	87	-	1505	52	0	-	-
COUNTY AVERAGE				1.02	5.8	17.1	2.6	72		746			5859	9836
TYNE AND WEAR														
95	Central Newcastle High School	Newcastle	I	1.30	7.8	22.3	3.1	88	ID	871	0	0	3804	-
605	Dame Allan's Schools	Newcastle	I	0.98	5.6	15.7	2.8	114	CE	460	0	0	3432	-
436	Gosforth High	Newcastle	C	1.02	5.8	17.2	2.8	107	ID	1251	50	0	-	-
426	Heathfield High	Gateshead	C	1.03	8.3	19.0	2.6	48	ID	645	52	0	-	-
690	Kenton	Newcastle	Cf	0.89	5.4	14.3	2.5	50	ID	1633	50	0	-	-
543	King's School,The	Tynemouth	I	0.97	5.3	17.1	3.1	78	CE	878	88	0	3510	-
435	La Sagesse Convent High	Newcastle	I	1.02	5.8	17.3	3.0	24	CS	350	0	0	3540	-
532	Newcastle U Tyne Church High	Newcastle	I	0.97	5.6	16.2	2.6	81	CE	645	0	0	3465	-
64	Royal Grammar School	Newcastle	I	1.36	7.4	23.8	3.4	152	ID	1123	100	0	3441	-
712	Sacred Heart	Newcastle	CHC	0.88	5.2	14.9	2.5	62	CS	1140	0	0	-	-
600	Seaton Burn	Seaton Burn	C	0.94.	5.3	19.1	2.8	25	N	997	52	0	-	-
611	Sunderland High School	Suederland	I	0.98	5.8	15.9	2.1	18	CE	502	41	0	3750	-
392	Westfield School	Gosforth	I	1.05	6.1	17.8	2.7	16	ID	342	0	0	3942	-
609	Whickham	Whickham	C	0.94	5.8	15.1	2.5	91	ID	1533	51	0	-	-
COUNTY AVERAGE				1.02	5.9	17.1	2.7	54		683			3611	-
WARWICKSHIRE														
490	Kenilworth	Kenilworth	C	1.00	5.7	18.8	2.7	181	ID	1184	61	0	-	-
877	King Edward VI	Stratford upon Avon	VG	0.80	5.0	15.6	2.9	47	ID	407	100	0	-	-
164	King's High for Girls	Warwick	I	1.23	7.0	20.7	2.9	51	ID	548	0	0	3666	-
533	Kingsley School	Leamington Spa	I	0.97	5.5	16.1	2.7	38	CE	591	1	0	4050	-
371	Lawrence Sheriff Grammar	Rugby	VG	1.08	9.2	17.6	2.7	97	N	580	100	0	-	-
578	North Leamington	Leamington Spa	C	0.95	4.9	17.8	8.0	83	N	1037	50	0	-	-
678	Princethorpe College	Rugby	I	0.90	5.3	14.7	2.4	51	CS	475	88	11	3570	7659
498	Rugby High	Rugby	GOf	0.98	5.7	16.4	2.7	82	N	562	0	0	-	-
68	Rugby School	Rugby	I	1.35	7.3	23.8	3.2	147	CE	670	76	81	8195	12270
206	Stratford-u-Avon Grammar Sch	Stratford upon Avon	G	1.18	8.8	20.0	2.9	80	ID	444	0	0	-	-
103	Warwick School	Warwick	I	1.29	7.1	22.7	3.4	100	CE	998	100	5	4350	9330
COUNTY AVERAGE				1.08	9.0	18.3	2.8	83		643			5011	8753
WEST MIDLANDS														
824	Archbishop Ilsley RC	Birmingham	CHCf	0.76	4.6	11.8	2.1	31	CS	1250	52	0	-	-
37	Bablake School	Coventry	I	1.41	7.8	24.4	3.0	92	ID	950	52	0	3486	-
845	Bishop Vesey's Grammar	Sutton Coldfield	VG	0.82	4.8	14.0	2.4	89	ID	813	98	0	-	-
654	Coundon Court	Coventry	C	0.91	5.1	15.7	2.6	81	N	1570	49	0	-	-
518	Edgbaston D of E College	Birmingham	I	0.93	5.3	15.7	2.7	14	CE	382	0	0	4185	-
253	Edgbaston High for Girls	Birmingham	I	1.14	5.8	18.4	2.8	57	ID	888	0	0	4095	-
806	Finham Park	Coventry	Cf	0.84	5.0	13.4	2.9	105	ID	1348	49	0	-	-
813	Handsworth Boys Grammar	Birmingham	GO	0.83	4.8	14.1	2.8	88	N	780	100	0	-	-
401	Haybridge High	Hagley, Stourbridge	C	1.04	5.8	17.8	2.8	78	ID	637	49	0	-	-
820	Heart of England	Coventry	C	0.83	5.0	13.1	2.4	87	N	1082	48	0	-	-
866	Highclare School	Sutton Coldfield	I	0.80	4.7	18.2	2.4	18	ID	353	8	0	3960	-
396	Holy Child School	Birmingham	I	1.05	5.5	18.7	2.9	18	CS	313	8	0	4290	-
220	K E Vlth Camp Hill Boys	Birmingham	GD	1.18	8.7	20.0	2.8	92	ID	640	100	0	-	-
178	K E Vlth Camp Hill Girls	Birmingham	GO	1.21	6.9	20.8	2.8	70	N	640	0	0	-	-
374	King Edward VI Aston	Aston	GO	1.06	5.9	18.6	2.9	87	ID	640	100	0	-	-
345	King Edward VI Five Ways	Bartley Green	GO	1.08	9.1	18.5	2.9	84	ID	700	64	0	-	-
9	King Edward VI High for Girls	Birmingham	I	1.54	8.8	26.7	8.2	81	ID	545	0	0	4020	-
444	King Edward VI, Stourbridge	Stourbridge	B	1.02	5.8	17.1	2.7	407	ID	838	41	0	-	-
12	King Edward's School	Birmingham	I	1.51	8.2	25.7	8.3	127	CE	873	100	0	4260	-
326	King Henry VIII	Coventry	I	1.09	6.0	19.2	2.9	111	ID	1084	88	0	3495	-
562	Old Swinford Hospital	Stourbridge	CO	0.96	5.4	16.3	2.8	85	ID	554	100	0	-	-
407	Queen Mary's Grammar	Walsall	GO	1.04	5.9	17.8	2.8	81	IO	646	100	0	-	-
147	Queen Mary's High	Walsall	GO	1.24	7.0	21.0	2.9	75	N	650	0	0	-	-
434	Royal Wolverhampton School	Wolverhampton	I	1.02	5.4	18.8	3.0	32	CE	298	59	47	4980	8700
959	Shire Oak	Walsall Wood	CO	0.68	4.7	9.3	1.9	15	ID	810	47	0	-	-
100	Solihull School	Solihull	I	1.29	7.2	22.4	3.1	121	CE	968	94	0	4089	-
762	St Martin's	Solihull	I	0.86	6.0	14.2	2.6	17	ID	462	0	0	4603	-
991	St Peter's Collegiate	Wolverhampton	CHC	0.64	4.0	8.9	2.0	75	CE	870	49	0	-	-
886	Streetly School, The	Sutton Coldfield	CO	0.79	4.8	12.8	2.6	50	-	1106	49	0	-	-
812	Sutton Coldfield Girls School	Sutton Coldfield	Gf	1.10	6.3	18.8	2.8	88	N	935	0	0	-	-
289	Tettenhall College	Wolverhampton	I	1.12	5.9	20.3	3.2	26	ID	379	64	20	5475	8860
815	Waseley High	Rubery	C	0.83	4.7	14.2	2.8	39	ID	721	48	0	-	-
278	Wolverhampton Girls' High	Wolverhampton	GO	1.13	8.8	18.5	2.7	87	ID	632	0	0	-	-
146	Wolverhampton Grammar School	Wolverhampton	I	1.24	6.9	21.6	3.0	81	ID	652	88	0	4478	-
COUNTY AVERAGE				1.03	5.8	17.4	2.7	78		765			4256	8790
WEST SUSSEX														
745	Angmering	Littlehampton	Cf	0.97	5.3	13.7	2.3	66	ID	1088	59	0	-	-
493	Ardingly College	Haywards Heath	I	0.99	5.8	15.8	2.7	92	CE	454	56	70	8805	11085
463	Bishop Luffa	Chichester	CHC	1.01	5.8	18.8	2.7	85	CE	1215	47	0	-	-
232	Burgess Hill School	Burgess Hill	I	1.16	6.8	18.7	2.9	32	ID	660	8	9	6220	8775
704	Chichester Boys High	Chichester	C	0.89	5.1	14.8	2.9	89	ID	1398	100	0	-	-
185	Christ's Hospital	Horsham	I	1.20	5.8	20.8	2.9	106	CE	821	81	100	-	10299
471	Farlington School	Horsham	I	1.01	5.7	17.1	2.6	18	CE	264	0	18	6550	8910
705	Felpham Community College	Bognor Regis	C	0.89	5.3	14.8	2.5	45	ID	980	53	0	-	-
812	Haywards Heath Sixth Form	Haywards Heath	S	0.83	4.8	13.8	2.4	878	N	950	53	0	-	-
278	Hurstpierpoint College	Hassocks	I	1.12	6.3	19.6	8.2	75	CE	348	100	77	8750	10960
87	Lancing College	Lancing	I	1.35	7.3	23.9	9.2	116	CE	527	86	91	8736	11825
804	Littlehampton	Littlehampton	C	0.79	4.8	12.0	2.1	78	IO	1544	50	0	-	-
451	Midhurst Grammar	Midhurst	C	1.02	5.8	17.2	2.9	51	N	750	51	0	-	-
658	Our Lady of Sion School	Worthing	I	0.91	5.5	14.4	2.2	20	ID	462	43	0	4092	-
602	Rosemead	Littlehampton	I	0.94	5.3	16.1	2.8	17	CE	225	10	24	5370	9345
597	Sackville	East Grinstead	C	0.94	5.5	15.6	2.5	99	N	1488	49	0	-	-
760	Steyning Grammar Comprehensive	Steyning	VC	0.89	5.4	13.3	2.2	133	N	1669	54	0	-	-
825	Weald	Billingshurst	C	0.93	5.0	13.2	2.2	101	IO	1464	52	0	-	-
342	Worth School	Crawley	I	1.05	6.1	18.4	2.8	51	ID	378	100	93	7401	11100
369	Worthing Sixth Form College	Worthing	S	1.05	6.1	17.8	2.8	369	IO	885	50	0	-	-
COUNTY AVERAGE				0.99	5.7	16.4	2.5	100		872			6742	10265

An FT score of 1.00 = the FT-1000 national average. I = Independent school. G = Grammar school. C = Comprehensive school. For detailed key, see page 5

SCHOOLS 1,000 Survey of secondary education

FT 1000 Top 10 Comprehensive Schools

Rank	School	Town/County	Ft score	Type
216	Hasmonean High	Hendon, Greater London	1.19	CD
252	East Barnet	East Barnet, Greater London	1.14	C
269	Alsager	Alsager, Cheshire	1.13	C
275	Dame Alice Owen's	Potters Bar, Hertfordshire	1.13	CO
280	Penglais	Aberystwyth, South Wales	1.12	C
285	Bishop's Stortford High	Bishop's Stortford, Herts	1.19	CD
287	George Abbot	Surpham, Guildford, Surrey	1.12	C
288	Cardiff High	Cardiff, South Wales	1.12	C
296	Chew Valley	Chew Magna, Avon	1.11	C
303	Guiseley	Guiseley, West Yorkshire	1.11	C

FT 1000 Top 10 State Girls' Schools

Rank	School	Town/County	Ft score	Type
53	Henrietta Barnett School,The	Hampstead, London	1.38	VG
80	Chelmsford County High	Chelmsford, Essex	1.33	GO
84	Kendrick Grammar	Reading, Berkshire	1.32	G
91	Newstead Wood	Orpington, Greater London	1.31	GO
105	Colchester County High	Colchester, Essex	1.28	GO
147	Queen Mary's High	Walsall, West Midlands	1.24	GO
176	Tunbridge Wells Grammar	Tunbridge Wells, Kent	1.21	G
177	K E Vith Camp Hill Girls	Birmingham, West Midlands	1.21	GD
193	Beaconsfield High	Beaconsfield, Bucks	1.20	GD
207	Stratford-upon-Avon Grammar	Stratford-upon-Avon, Warwicks	1.18	G

FT 1000 Top 10 State Co-educational Schools

Rank	School	Town/County	Ft score	Type
94	Latymer	Edmonton, Greater London	1.30	GO
171	Pate's Grammar	Cheltenham, Gloucestershire	1.22	GO
218	Hasmonean High	Hendon, Greater London	1.18	CO
252	East Barnet	East Barnet, Greater London	1.14	C
264	Caistor Grammar	Caistor, Lincolnshire	1.14	GO
269	Alsager	Alsager, Cheshire	1.18	C
275	Dame Alice Owen's	Potters Bar, Hertfordshire	1.13	CO
280	Penglais	Aberystwyth, South Wales	1.12	C
297	George Abbot	Burpham, Guildford, Surrey	1.12	C
288	Cardiff High	Cardiff, South Wales	1.12	C

FT 1000 Top 10 State Boys' Schools

Rank	School	Town/County	Ft score	Type
60	Royal Grammar	High Wycombe, Bucks	1.38	GO
81	King Edward VI Grammar	Chelmsford, Essex	1.36	GO
79	Judd	Tonbridge, Kent	1.34	VG
114	Reading	Reading, Berkshire	1.28	GO
152	Dr Challoner's Grammar	Amersham, Bucks	1.23	G
159	Tiffin	Kingston, London	1.22	GO
165	Skinners' Company's	Tunbridge Wells, Kent	1.22	GO
209	Bournemouth Boys' Grammar	Bournemouth, Dorset	1.19	GO
221	K E Vith Camp Hill Boys	Birmingham, West Midlands	1.19	GD
227	Lancaster Royal Grammar	Lancaster, Lancashire	1.16	STC

How to read the tables (Pages 6-17)

Points/entry = average number of UCAS points per subject entry. A-levels are awarded UCAS points on the scale: A = 10, B = 8, C = 6, D = 4, E = 2.
AS-levels were counted as half an A-level (ie A = 5 UCAS points).

Points/pupil = average number of UCAS points per pupil.

Passes/pupil = average number of A-level passes per pupil.

FT score = a weighting of the average points/entry (the quantity of grades attained) and the average points/pupil (the quality of grades attained). An FT score of 1.00 denotes the average score achieved by the schools considered for the FT-1000. A score of more than 1.00 denotes above average, less than 1.00 below average.

TYPE OF SCHOOL
I = Independent
G = local authority grammar
GO = opted-out grammar
C = local-authority comprehensive
CO = opted-out comprehensive
CHG = church grammar
CHC = church comprehensive
CTC = City Technology College
STC = Selective Technology College
S = Sixth-form College
VG = Voluntary-aided grammar
VC = Voluntary-aided comprehensive
f = member of a sixth form consortium

RELIGION
I = Interdenominational/ecumenical
N = Non-denominational
CE = Church of England/Wales
RC = Roman Catholic
NC = Non-conformist (Protestant)
J = Jewish
GO = Greek Orthodox

Always top of the class

From Page 8

The International Baccalaureate is also growing in popularity. The survey includes independent schools which offer both A-levels and the IB, but have not covered those which offer only the IB.

Rank positions represent a weighting of the average number of UCAS points achieved per pupil (the quantity of grades attained) with the average number of UCAS points per subject entry (the quality of grades attained). Grades for general studies A-level are not included, as many universities are not prepared to accept it. This leads to some discrepancies with the government's data due to be published next month.

FT SCORE CONVERSION TABLE

FT score	Typical grades
1.65	AAA
1.4	BBB
1.19	BCC
1.09	CCC
0.88	CDD
0.6	DDE

Assumes average pupil took three A-levels.

Grades are higher if average pupil took less than three A-levels – a 1.0 score could represent BB, not CCC. All figures approximate.

Rank positions greatly exaggerate differences between schools, particularly in the middle of the range. For example, those ranked between 307th and 680th all achieved results within 10 per cent of the average – roughly equivalent to each pupil achieving three grade Cs.

The FT score is therefore more important than rankings. It has been scaled so that a score of 1.00 represents the average performance of all the schools considered for the FT-1000. The table opposite enables you to convert FT scores into average A-level grades attained.

Also note the number of candidates a school has entered, as it is harder to maintain a high average over a large number of pupils. King Edward's School, Birmingham, was top overall on average over the past five years. It expanded its intake, from four to five forms, seven years ago. That meant an increase from 104 to 127 in its number of A-level candidates and a slight drop in the degree to which it selected pupils. So, its slight fall this year to 12th signifies very little.

Boarding schools, which have sustained falls of more than 5 per cent in boarding numbers on average in the past two years, are also becoming less selective. Their market has contracted as parents still resident in the UK now mostly want to live within about an hour of the school.

Jonathan Leigh, head of Blundell's in Devon, a boarding school with a smaller catchment area within Britain than many, says many boarding schools are no longer truly selective although applicants sit the common entrance exam. His school has started recruiting pupils from Russia.

As more statistics on pupils' achievements when they start school become available, so we should be able to provide better guidance on which schools add most value to the academic attainments a child brings with them on their first day. This survey confirms the existence of metropolitan centres of excellence, such as Westminster and St Paul's.

What it is beginning to suggest is that comprehensives and community colleges in rural areas, which can afford to be far less selective, can achieve similar excellence. If all the circumstances could be taken into account, the performance of schools such as Queen Elizabeth's community college in Crediton, Devon (554th), and West Somerset community college, Minehead (582nd) might look just as good. Sadly, heads of state schools in Cornwall decided not to co-operate with the survey.

SCHOOLS 1,000 Listings

Rank	School	Town	Type	FT score	Points/ entry	Points/ pupil	Passes/ pupil	Number of candidates	Religion	Total pupils	Male %	Boarders %	Fees per annum £ Day	Boarding
AVON														
894	Backwell	Backwell, Bristol	C	D.76	4.7	12.8	2.4	147	N	1540	51	0	-	-
19	Badminton School	Bristol	I	1.48	6.2	25.7	3.2	37	ID	301	0	69	5925	10725
204	Bath High School	Bath	I	1.16	5.7	20.4	3.1	53	ID	618	0	0	3804	-
819	Beechen Cliff	Bath	CO	0.83	4.9	16.5	2.4	79	ID	935	98	0	-	-
922	Brimsham Green	Yate,Bristol	CI	0.78	4.9	11.2	2.2	40	ID	600	50	0	-	-
548	Bristol Cathedral School	Bristol	I	0.97	5.5	16.6	2.8	67	CE	482	97	0	3903	-
68	Bristol Grammar School	Bristol	I	1.38	7.5	26.2	3.0	138	ID	1017	87	0	3705	-
513	Castle	Thornbury, Bristol	C	0.98	5.6	15.7	2.5	91	-	1213	54	0	-	-
296	Chew Valley	Chew Magne	C	1.11	6.1	19.4	3.3	58	ID	1001	48	0	-	-
528	Chipping Sodbury	Chipping Sodbury	CI	0.97	5.8	15.6	2.7	61	ID	840	51	0	-	-
883	Churchill	Bristol	C	0.79	4.8	12.2	2.1	107	ID	1365	51	0	-	-
782	Clevedon	Bristol	C	0.85	5.1	16.6	2.3	74	N	1271	51	0	-	-
292	Clifton College	Bristol	I	1.12	6.6	16.0	2.8	125	CE/J	864	72	63	8190	11685
158	Clifton High School	Bristol	I	1.22	6.8	21.1	3.0	44	ID	754	8	5	4878	8655
465	Colston's Collegiate School	Bristol	I	1.01	5.8	18.8	2.7	43	CE	383	81	15	5400	8610
331	Colston's Girls' School	Bristol	I	1.09	6.2	16.3	2.6	46	ID	516	0	0	3402	-
858	Cotham Grammar	Bristol	G	0.61	5.0	12.8	2.1	103	-	1050	54	0	-	-
297	Downside School	Bath	I	1.11	6.2	19.3	2.9	68	CS	351	99	99	8945	10836
751	Gordano	Portishead, Bristol	C	0.87	5.2	16.8	2.4	68	N	1033	52	0	-	-
828	Hanham High	Hanham, Bristol	C	0.83	5.1	12.8	2.2	38	ID	1021	50	0	-	-
124	King Edward's School	Bath	I	1.27	6.9	22.2	3.1	109	ID	876	95	0	4056	-
300	Kingswood School	Bath	I	1.11	6.8	18.8	2.8	73	NC	445	57	56	6810	10660
802	Marlwood	Alveston, Bristol	C	0.84	4.9	13.9	2.5	81	N	1181	54	0	-	-
391	*Monkton Combe School*	*Nr. Bath*	*I*	1.06	6.8	18.5	2.8	71	CE	323	67	85	7830	11280
648	Nailsea	Bristol	C	0.81	5.5	14.4	2.3	86	ID	1258	52	0	-	-
632	Norton Hill	Midsomer Norton	C	0.92	5.2	15.7	2.7	66	-	1163	52	0	-	-
284	Prior Park College	Bath	I	1.12	5.8	16.8	2.8	60	CS	456	59	37	6361	9696
218	Queen Elizabeth's Hospital	Bristol	I	1.18	6.5	20.7	2.8	72		519	100	18	8729	6546
662	Ralph Allen	Bath	C	0.70	4.1	11.4	2.2	38	N	865	51	0	-	-
150	Red Maids' School	Bristol	I	1.24	6.8	21.7	3.2	57		489	0	18	3836	7212
118	Redland High School	Bristol	I	1.28	7.2	22.0	3.0	56	ID	646	0	0	3777	-
913	Ridings High, The	Winterbourne	C	0.77	4.8	12.3	2.2	79	ID	1553	48	0	-	-
772	Royal School,The	Bath	I	0.85	4.8	14.7	2.7	31	CE	345	8	81	6813	10660
613	Sidcot School	Winscombe	I	0.93	5.6	14.8	2.5	34	ND	425	54	41	5550	9282
902	St Mark's CE	Bath	CHC	0.78	4.9	11.8	2.0	12	CE	394	50	0	-	-
882	St Mary Redcliffe and Temple	Bristol	CHC	0.79	4.8	12.8	2.2	58	CE	1033	48	0	-	-
948	Wellsway	Bristol	C	0.73	4.2	12.3	2.5	65	ID	1230	55	0	-	-
COUNTY AVERAGE				0.99	5.7	16.5	2.8	68		817			5189	9732
BEDFORDSHIRE														
142	Bedford High School	Bedford	I	1.24	7.1	21.0	2.9	104	ID	961	0	7	4500	8589
162	Bedford Modern School	Bedford	I	1.22	5.5	22.1	3.4	128	ID	986	100	6	4200	8043
168	Bedford School	Bedford	I	1.22	6.8	21.0	3.1	142	CE	709	100	29	6648	10635
721	*Cedars Upper School and Comm.*	*Linslade*	C	0.68	5.1	14.5	2.8	126	ID	1352	50	0	-	-
271	Dame Alice Harpur School	Bedford	I	1.18	6.4	19.2	2.9	93	ID	983	0	0	4017	-
790	Redborne	Ampthill	C	0.85	5.0	13.8	2.4	65	ID	768	45	0	-	-
523	Samuel Whitbread Upper	Shefford	C	0.86	5.7	16.1	2.8	42	ID	860	52	0	-	-
800	Sandy Upper	Sandy	C	0.84	4.8	16.8	2.7	62	ID	955	50	0	-	-
COUNTY AVERAGE				1.04	5.9	17.7	2.8	97		958			4641	9089
BERKSHIRE														
39	Abbey School,The	Reading	I	1.40	7.7	24.8	3.3	104	CE	1033	0	0	3960	-
689	Bearwood College	Wokingham	I	0.85	3.7	10.8	2.3	22	CE	215	100	68	6400	8750
622	Bradfield College	Reading	I	1.09	5.2	16.7	2.6	125	CE	594	86	04	8895	11860
680	Brigidine School,The	Windsor	I	0.91	6.2	16.4	2.6	18	CS	362	2	0	4212	-
398	Charters	Sunningdale, Ascot	C	1.04	6.0	17.4	2.6	46	N	1230	51	0	-	-
840	Desborough	Maidenhead	COf	0.82	5.0	12.9	2.2	73	ID	600	100	0	-	-
622	Douai School	Reading	I	0.93	8.2	15.8	2.6	38	CS	220	96	68	6525	10125
8	Downe House	Newbury	I	1.54	6.8	26.8	3.2	78	CE	513	0	94	8880	11835
070	Emmbrook	Wokingham	C	0.60	5.3	14.6	2.4	86	ID	1108	50	0	-	-
2	Eton College	Windsor	I	1.87	8.8	30.4	3.6	265	CE	1283	100	100	-	12384
375	Forest	Wokingham	C	1.06	5.8	18.2	2.9	78	ID	1108	100	0	-	-
686	Frogmore Community	Yateley	C	0.60	5.8	12.7	2.1	15	N	595	50	0	-	-
831	Garth Hill	Bracknall	C	0.83	4.8	13.6	2.4	47	-	1181	53	0	-	-
229	*Heathfield School*	*Ascot*	*I*	1.16	6.8	16.8	3.0	25	CE	209	D	100	-	11825
933	Herschel Grammar	Slough	GD	0.75	4.4	12.2	2.3	77	ID	558	48	0	-	-
601	Holt	Wokingham	C	0.84	5.5	15.3	2.5	56	ID	1120	0	0	-	-
84	Kendrick Grammar	Reading	GI	1.32	7.5	22.4	3.0	93	ID	660	0	0	-	-
983	Kennet	Thatcham	C	0.65	3.6	11.1	2.2	81	-	1327	48	0	-	-
359	Langley	Langley	GO	1.07	8.2	17.7	2.7	82	ID	660	50	0	-	-
318	Leighton Park School	Reading	I	1.10	6.1	19.2	2.8	47	NC	357	83	51	6037	10710
814	Licensed Victuallers School	Ascot	I	0.83	4.8	13.8	2.3	16	CE	657	64	29	5220	9270
387	Luckley-Oakfield School	Wokingham	I	1.05	6.2	17.2	2.8	20	CE	287	0	32	4800	7740
411	Maiden Erlegh	Earley,Reading	C	1.03	6.0	17.1	2.6	130	N	1524	52	0	-	-
128	Oratory School,The	Nr. Reading	I	1.26	7.0	21.9	3.1	46	CS	364	100	67	7905	11310
709	Pangbourne College	Reading	I	0.88	4.9	16.3	2.8	45	CE	410	99	82	7820	10860
448	Piggott	Reading	C	1.02	5.8	17.2	2.8	44	CE	774	51	0	-	-
931	Presentation College	Reading	I	0.75	4.4	12.4	2.4	37	CS	408	99	0	3180	-
136	Queen Anne's School	Caversham	I	1.26	7.1	21.5	3.0	53	CE	343	0	65	6900	10660
485	Ranelagh	Bracknell	VC	0.99	5.8	18.2	2.6	68	CE	615	47	0	-	-
114	Reading	Reading	GD	1.28	7.2	22.0	2.6	87	IO	709	100	0	-	-
415	Reading Blue Coat School	Reading	I	1.03	6.0	17.0	2.7	76	CE	542	86	11	4920	8970
573	Slough Grammar	Slough	GD	0.85	5.8	15.7	2.6	72	N	551	46	0	-	-
515	St Crispin's	Wokingham	C	0.93	5.4	15.4	2.8	43	ID	700	53	0	-	-
234	St George's School	Ascot	I	1.18	6.8	16.4	2.8	31	CE	284	0	60	6525	11325
623	St Joseph's Convent School	Reading	I	0.93	5.2	16.8	2.9	36	CS	392	0	0	3815	-
81	St Mary's School	South Ascot	I	1.33	7.8	22.5	2.8	41	CS	339	0	87	6861	12578
419	Waingels Copse	Woodley	CI	1.03	6.1	15.8	2.7	60	ID	1425	48	0	-	-
104	Wellington College	Crowthorne	I	1.29	7.0	22.9	3.6	163	CE	803	93	63	8655	11850
522	Windsor Girls	Windsor	C	0.98	5.8	16.0	2.6	41	N	553	0	0	-	-
COUNTY AVERADE				1.04	6.9	17.5	2.7	68		694			8228	10621

SCHOOLS 1,000 Listings

Rank	School	Town	Type	FT score	Points/ entry	Points/ pupil	Passes/ pupil	Number of candidates	Religion	Total pupils	Male %	Boarders %	Fees per annum £ Day	Boarding
SOUTH WALES (cont.)														
78	Monmouth School	Monmouth	I	1.33	7.3	23.4	3.2	60	CE	826	100	28	4743	7899
358	Olchfa	Swansea	C	1.07	6.4	17.1	2.6	138	ID	1774	50	0	-	-
280	Penglais	Aberystwyth	C	1.12	6.4	18.8	2.7	82	ID	1056	46	0	-	-
517	Porthcawl Secondary	Porthcawl	C	0.86	5.9	15.7	2.4	77	-	1040	48	0	-	-
536	Queen Elizabeth Cambria	Carmarthen	C	0.87	6.0	15.1	2.5	51	ID	825	49	0	-	-
698	Queen Elizabeth Maridunum	Carmarthen	C	0.89	5.8	12.5	2.0	84	ID	781	51	0	-	-
311	Rougemont School	Newport	I	1.10	6.8	16.6	2.6	28	ID	529	49	0	4306	-
134	St Michael's School	Llanelli	I	1.26	7.7	16.7	2.6	15	ID	811	60	0	3045	-
750	Ysgol Gyfun Bro Myrddin	Carmarthen	C	0.87	5.0	14.5	2.5	81	-	652	52	0	-	-
885	Ysgol Gyfun Emlyn	Dyfed	C	0.80	5.5	14.1	2.4	34	N	580	50	0	-	-
515	Ysgol Gyfun Glantaf	Cardiff	C	0.86	5.9	15.8	2.5	66	ID	1180	50	0	-	-
394	Ysgol Y Preseli	Crymych , Dyfed	C	1.05	6.4	18.5	2.5	30	ID	524	48	0	-	-
COUNTY AVERAGE				1.02	5.8	16.6	2.6	64		697			4658	8267
SOUTH YORKSHIRE														
261	Birkdale School	Sheffield	I	1.13	6.4	16.4	2.8	36	ID	730	100	0	4290	-
656	Danum	Doncaster	C	0.71	3.6	12.4	2.6	60	ID	876	51	0	-	-
975	Edlington	Edlington, Doncaster	C	0.68	4.0	11.1	2.2	55	ID	690	48	0	-	-
926	Hall Cross	Doncaster	C	0.76	4.8	12.0	2.0	210	-	1478	50	0	-	-
780	Hayfield	Doncaster	C	0.65	4.8	14.5	2.8	71	ID	1151	49	0	-	-
798	High Storrs	Sheffield	C	0.64	5.0	13.7	2.3	130	N	1650	50	0	-	-
607	King Ecgbert	Dore, Sheffield	C	0.94	5.1	16.4	2.7	48	ID	793	54	0	-	-
781	King Edward VII	Sheffield	C	0.68	5.0	14.8	2.3	180	-	1500	51	0	-	-
872	McAuley	Doncaster	CHC	0.80	5.4	14.6	2.6	81	CS	1544	50	0	-	-
635	Penistone Grammar	Barnsley	C	0.92	4.7	17.3	3.0	69	-	1380	50	0	-	-
237	Sheffield High School	Sheffield	I	1.15	6.4	16.8	2.9	68	ID	775	0	0	3804	-
572	Silverdale	Sheffield	CI	0.85	5.6	15.7	2.6	107	N	1065	48	0	-	-
355	Tapton	Sheffield	C	1.07	6.1	16.0	2.7	114	ID	1402	50	0	-	-
992	Thorne Grammar	Thorne	C	0.84	3.9	10.2	1.8	31	ID	760	50	0	-	-
735	Wath	Rotherham	C	0.67	5.6	13.7	2.2	102	N	1700	50	0	-	-
COUNTY AVERAGE				0.99	6.0	14.8	2.4	91		1172			4047	-
STAFFORDSHIRE														
799	Abbotsholme School	Uttoxeter	I	0.04	6.0	13.8	2.3	25	ID	228	62	71	7320	10746
830	Biddulph High	Knypersley,	C	0.63	4.9	13.3	2.5	62	ID	768	50	0	-	-
433	Blythe Bridge High	Blythe Bridge,	C	1.02	6.0	17.0	2.5	36	-	869	48	0	-	-
833	Chase Terrace High	Chase Terrace	C	0.82	4.8	13.5	2.4	74	ID	1299	48	0	-	-
538	De Ferrers High	Burton-on-Trent	C	0.97	5.4	18.7	2.7	68	ID	1664	47	0	-	-
585	Denstone College	Uttoxeter	I	0.95	5.3	16.2	2.7	46	CE	298	69	59	7323	10272
817	John Taylor High	Barton-u-Needwood	C	0.93	5.5	15.6	2.5	65	ID	1185	48	0	-	-
327	King Edward VI	Lichfield	C	1.09	5.4	20.8	3.5	100	ID	1643	48	0	-	-
811	Nether Stowe High	Lichfield	C	0.83	5.0	13.5	2.3	43	-	605	51	0	-	-
205	Newcastle-under-Lyme School	Newcastle-u-Lyme	I	1.19	6.8	20.8	3.0	134		1295	46	0	3408	-
855	Robert Sutton R.C.	Stapehill,Burton	CHCf	0.61	4.2	14.6	2.7	30	CS	558	40	0	-	-
439	School of S.Mary & S.Anne	Rugeley	I	1.02	6.8	15.8	2.4	18	CE	274	0	87	6828	10245
229	St Dominic's Priory School	Stone	I	1.16	6.8	19.8	2.8	14	CS	365	7	0	3042	-
814	St Dominic's School	Stafford	I	0.98	5.7	15.4	2.8	22	CS	462	2	D	3828	-
687	St Joseph's College	Stoke on Trent	I	0.96	6.1	16.4	2.5	16	CS	462	73	0	8168	-
486	*Stafford Grammar School*	*Stafford*	*I*	1.00	5.6	17.4	3.0	23		263	67	D	3810	-
587	Walton High	Walton-on-the-Hill	C	0.94	5.7	15.1	2.5	76	ID	1165	51	0	-	-
COUNTY AVERAGE				0.86	5.4	15.2	2.8	51		791			4841	10421
SUFFOLK														
324	Culford School	Bury St.Edmunds	I	1.09	8.2	16.6	2.7	43	NC	810	57	33	6300	9630
583	Framlingham College	Nr.Woodbridge	I	0.95	5.4	16.8	2.8	66	CE	435	68	69	5949	9270
218	Ipswich High School	Ipswich	I	1.16	6.5	20.2	3.0	48	ID	632	8	0	3804	-
183	Ipswich School	Ipswich	I	1.22	6.8	21.0	3.0	99	CE	605	93	8	4797	8211
695	Leiston High	Leiston	CI	0.86	5.3	14.5	2.5	57	ID	654	48	0	-	-
852	Royal Hospital School	Ipswich	I	0.81	4.9	13.0	2.5	72	CE	593	74	100	3900	7350
277	Saint Felix School	Southwold	I	1.16	6.4	19.2	2.8	38	ID	257	0	67	6345	9685
640	St Joseph's College	Ipswich	I	0.82	6.8	15.2	2.6	73	CS	689	97	18	4590	8034
713	Thomas Mills High	Framlingham	C	0.88	5.3	14.2	2.5	121	N	960	40	0	-	-
302	Woodbridge School	Woodbridge	I	1.11	8.2	19.2	3.0	68	CE	495	49	7	5097	8376
COUNTY AVERADE				1.02	5.6	17.1	2.7	68		583			5098	8679
SURREY														
818	All Hallows	Farnham	CO	0.83	5.4	15.3	2.5	59	CS	1043	50	0	-	-
876	Box Hill School	Dorking	I	0.67	3.9	11.1	1.6	22	ID	239	69	59	5994	9672
90	Caterham School	Caterham	I	1.31	7.2	22.7	3.0	87	NC	452	93	25	5520	10698
45	Charterhouse	Godalming	I	1.39	7.7	24.2	3.1	168	CE	699	99	96	10083	12222
263	City of London Freemen's	Ashtead Park	I	1.13	6.5	18.2	2.9	46	CE	854	45	7	5499	8586
703	Claremont Fan Court School	Esher	I	0.89	5.2	14.6	2.6	32	NC	664	48	2	5400	8580
425	Collingwood	Camberley	CO	1.03	5.6	17.2	2.7	141	N	1675	48	0	-	-
120	Cranleigh School	Cranleigh	I	1.27	6.9	22.6	3.3	132	CE	841	65	85	6885	11970
305	Dunottar School	Reigate	I	1.11	6.2	16.0	2.8	32	ID	444	0	0	4275	-
884	Elmhurst Ballet School	Camberley	I	0.79	5.8	9.6	1.6	39	CE	251	14	87	0405	8738
36	Epsom College	Epsom	I	1.41	7.7	24.6	3.1	149	CE	657	90	55	8268	11151
927	Ewell Castle School	Ewell	I	0.78	4.3	12.7	2.5	31	CE	317	97	0	4215	-
987	France Hill	Camberley	C	0.65	4.2	9.8	1.6	46	ID	732	49	0	-	-
452	Frensham Heights	Farnham	I	1.02	5.7	17.3	2.5	24	ID	310	52	41	7200	11250
688	Fullbrook	Newhaw, Weybridge	C	0.89	5.1	15.0	2.5	94	N	1450	50	0	-	-
267	George Abbot	Burpham, Guildford	C	1.12	6.3	16.2	3.0	130	ID	1844	51	0	-	-
847	Glyn	Ewell, Epsom	CO	0.92	4.9	13.2	2.4	81	ID	949	99	0	-	-
592	Grove School,The	Hindhead	I	0.94	5.7	14.8	1.6	12	CE	280	0	25	5769	9219
551	Guildford County	Guildford	CO	0.87	5.7	15.6	2.6	62	N	934	52	0	-	-
17	Guildford High for Girls	Guildford	I	1.48	8.3	25.8	3.1	54	CE	650	0	0	4821	-
578	Howard of Effingham	Effingham	C	0.95	5.5	15.7	2.5	99	-	1665	53	0	-	-
637	King Edward's School	Nr. Godalming	I	0.92	5.2	15.7	2.7	60	CE	619	57	78	6000	8596
307	Notre Dame Senior School	Cobham	I	1.10	6.4	18.4	2.6	18	CB	583	0	0	4320	-
743	Oxted County	Oxted	C	0.67	5.1	14.2	2.5	142	N	1923	49	0	-	-
874	Parsons Mead School	Ashtead	I	0.68	4.1	10.7	2.1	22	CE	407	0	4	4785	9117
625	Prior's Field	Godalming	I	0.93	5.2	16.0	3.1	10	ID	215	0	58	6270	9435
754	Reed's School	Cobham	I	0.87	4.8	14.8	2.5	29	CE	383	92	38	7478	9894
306	Reigate Grammar School	Reigate	I	1.11	6.2	16.1	2.6	109	ID	790	93	0	4596	-
8	Royal Grammar School	Guildford	I	1.56	6.5	27.7	3.6	112	ID	828	100	0	5772	-
362	Royal Naval School for Girls	Haslemere	I	1.07	6.3	17.2	2.6	28	CE	237	0	60	5823	9222
722	Sandhurst	Owlsmoor Camberley	C	0.86	5.2	14.3	2.4	85	ID	1038	50	0	-	-
83	Sir William Perkins's School	Chertsey	I	1.32	7.8	22.4	2.9	57	ID	570	0	0	3750	-
660	St Bede's	Redhill	VC	0.91	5.3	14.9	2.5	117	ID	1406	42	0	-	-
COUNTY AVERAGE				1.02	5.8	17.1	2.5	72		748			5859	9838

SCHOOLS 1,000 Listings

Rank	School	Town	Type	FT score	Points/ entry	Points/ pupil	Passes/ pupil	Number of candidates	Religion	Total pupils	Male %	Boarders %	Fees per annum £ Day	Boarding
NORTHAMPTONSHIRE														
507	Bishop Stopford	Kettering	CHC	0.98	5.9	15.7	2.5	90	CE	1220	50	5	-	-
971	Brook Weston	Great Dakly,Corby	CTCf	0.80	4.6	13.3	2.9	45	N	926	49	5	-	-
909	Campion	Sugbrooke	C	5.77	4.5	12.6	2.5	71	IO	1272	52	0	-	-
819	Magdalen College School	Brackley	VC	0.93	5.5	15.2	2.6	52	-	1067	52	5	-	-
727	Montsaye	Kettering	C	5.88	5.6	12.9	2.1	42	ID	1035	52	0	-	-
235	Northampton High School	Northampton	I	1.15	5.5	19.9	3.1	57	CE	820	5	5	3960	-
38	Oundle School	Peterborough	I	1.41	7.4	25.5	3.6	184	CE	1015	77	82	4764	12450
755	Prince William	Oundle	C	0.97	5.1	14.2	2.5	90	-	851	48	5	-	-
569	Roade	Northampton	C	0.95	5.7	15.4	2.4	76	ID	1263	53	5	-	-
956	Weavers Grant Maintained	Wellingborough	COf	5.71	4.4	11.5	2.1	42	ID	1215	49	0	-	-
282	Wellingborough School	Wellingborough	I	1.12	5.6	18.5	2.7	78	CE	806	91	8	5025	8985
807	Wollaston	Wollaston	Cf	5.84	4.8	13.6	2.5	59	IO	1079	53	5	-	-
COUNTY AVERAGE				0.96	5.5	15.6	2.9	76		1060			4583	15716
NORTHUMBERLAND														
730	King Edward VI	Morpeth	C	0.88	5.1	14.6	2.7	122	IO	1269	50	5	-	-
593	Longridge Towers School	Berwick-upon-Tweed	I	0.94	4.5	19.4	6.8	10	ID	291	48	29	3900	7800
COUNTY AVERAGE				5.91	4.9	15.5	6.1	66		780			3900	7800
NOTTINGHAMSHIRE														
938	All Saints R.C.	Mansfield	CHC	0.74	5.3	9.4	1.6	57	CS	1039	49	5	-	-
872	Colonel Frank Seely	Calverton	C	0.65	4.8	12.8	2.2	44	-	1200	50	0	-	-
77	Nottingham High School	Nottingham	I	1.33	7.9	22.6	3.0	114	ID	833	100	5	4653	-
64	Nottingham High for Girls	Nottingham	I	1.97	7.7	23.7	3.1	119	ID	1090	0	5	3804	-
659	Worksop College	Worksop	I	0.91	5.0	15.7	2.7	60	CE	320	64	54	7089	10272
COUNTY AVERAGE				1.02	5.5	19.9	2.6	78		896			5192	15272
OXFORDSHIRE														
29	Abingdon School	Abingdon	I	1.44	7.9	25.6	3.3	103	CE	753	100	14	5010	9420
729	Banbury Secondary	Sanbury	C	0.88	5.4	13.6	2.4	149	N	1441	49	5	-	-
357	Bloxham School	Nr Sanbury	I	1.07	6.5	18.3	2.9	79	CE	338	99	82	8298	11085
982	Burford	Surford	C	5.90	5.2	14.9	2.7	65	IO	555	51	5	-	-
313	Carmel College	Wallingford	I	1.15	6.8	18.4	2.8	33	J	219	68	93	7305	17640
417	Cherwell	Oxford	Cf	1.03	9.0	17.2	2.6	129	IO	945	50	5	-	-
591	Chipping Norton Secondary	Chipping Norton	C	5.94	6.8	15.4	2.4	49	N	836	50	0	-	-
73	Headington School	Oxford	I	1.34	7.4	23.3	6.1	59	CE	729	2	27	4311	8607
719	Henry Box	Witney	C	5.88	5.2	14.3	2.3	64	ID	1188	51	5	-	-
141	Magdalen College School	Oxford	I	1.25	6.9	21.7	2.9	51	CE	496	100	3	4561	8894
908	Matthew Arnold	Oxford	C	5.84	5.5	15.4	2.4	29	-	830	50	5	-	-
998	Milham Ford Girls	Oxford	Cf	5.63	9.7	15.3	2.4	19	ID	357	5	5	-	-
454	Our Lady's Convent Senior	Abingdon	I	1.01	5.2	16.9	2.5	31	CS	348	5	7	3750	-
43	Oxford High School	Oxford	I	1.40	7.7	24.3	3.1	75		653	5	0	3804	-
23	Radley College	Abingdon	I	1.47	7.7	27.0	3.7	115	OE	611	100	100	-	11880
631	Rye St.Antony School	Oxford	I	0.92	5.3	18.5	2.7	29	CS	374	5	36	4875	7950
979	Shiplake College	Henley-on-Thames	I	0.67	4.2	10.3	2.1	42	CE	322	100	79	7290	10800
230	St Edward's School	Oxford	I	1.19	5.5	20.5	3.0	123	CE	564	90	79	8850	11790
56	St Helen & St Katharine	Abingdon	I	1.37	7.6	24.5	3.2	88	CE	512	5	8	4155	7680
421	St Mary's School	Wantage	I	1.03	5.0	17.0	2.7	29	CE	254	5	100	-	10350
151	Tudor Hall School	Banbury	I	1.29	7.3	22.0	3.0	26	CE	260	0	93	5106	9795
227	Wychwood School	Oxford	I	1.19	8.6	19.5	2.8	11	ID	156	5	42	4185	6630
COUNTY AVERAGE				1.09	9.1	18.3	2.7	63		580			5678	10175
SCOTLAND														
386	Gordonstoun School	Moray	I	1.05	5.5	17.9	2.9	102	ID	476	53	95	7455	11550
COUNTY AVERAGE				1.06	5.0	17.9	2.9	102		475			7455	11850
SHROPSHIRE														
714	Bedstone College	Bucknell	I	0.88	9.2	14.6	2.3	22	CE	192	60	89	5721	8180
662	Ellesmere College	Ellesmere	I	0.91	5.3	15.5	2.6	59	CE	328	93	69	6801	9900
829	Idsall	Shifnal	C	5.83	4.9	14.4	2.5	35	ID	1094	55	0	-	-
419	Moreton Hall School	Oswestry	I	1.03	5.9	17.7	2.9	34	CE	288	5	91	7230	10425
629	Newport Girls High	Newport	O	0.92	5.3	15.8	2.8	39	-	235	5	5	-	-
901	Oswestry School	Oswestry	I	5.78	4.5	13.0	2.2	39		287	63	38	6070	8673
155	Shrewsbury High School	Shrewsbury	I	1.23	7.0	20.9	2.9	40		609	5	0	3804	-
48	Shrewsbury School	Shrewsbury	I	1.39	7.5	24.7	3.3	145	CE	698	100	80	8355	11850
492	Shrewsbury Sixth Form College	Shrewsbury	S	5.99	5.9	16.4	2.5	321	-	750	50	0	-	-
821	Wrekin College	Telford	I	0.83	4.6	14.0	2.6	62	CE	272	51	76	7185	10470
COUNTY AVERAGE				0.99	5.5	16.6	2.6	78		488			6309	10083
SOMERSET														
544	Bruton School for Girls	Sruton	I	0.97	3.6	16.1	2.6	57	CE	555	5	43	3543	6540
535	King's College	Taunton	I	0.87	5.0	16.4	2.6	78	CE	447	76	84	7380	10980
491	King's School	Bruton	I	0.99	5.6	16.8	2.7	64	CE	305	95	82	7545	10650
314	Millfield School	Street	I	1.15	6.3	16.5	2.8	207	IO	1284	50	77	7860	12840
248	Queen's College	Taunton	I	1.15	6.1	20.5	3.2	49	NC	455	58	40	5750	8820
971	Sexey's	Bruton	CO	5.90	5.3	14.8	2.6	69	CE	401	57	5	-	-
462	Taunton School	Taunton	I	1.51	5.7	17.2	2.8	102	ID	501	56	43	7080	11070
186	Wellington School	Wellington	I	1.20	6.7	20.7	6.0	80	CE	795	57	22	4194	7698
249	Wells Cathedral School	Wells	I	1.14	5.6	19.1	2.6	80	CE	625	80	45	5103	8688
563	West Somerset Community	Minehead	Cf	0.88	3.0	14.7	2.2	70	ID	880	50	5	-	-
COUNTY AVERAGE				1.04	5.9	17.5	2.7	86		634			6058	9661
SOUTH WALES														
477	Aberaeron	Aberaeron	C	1.00	5.6	16.6	2.9	43	IO	898	48	5	-	-
803	Aberdare Boys	Aberdare	C	5.84	4.9	14.8	2.9	32	IO	731	100	5	-	-
413	Bassaleg	Newport	C	1.03	8.1	16.7	2.6	82	-	1329	50	5	-	-
330	Bishop of Llandaff C/W High	Llandaff	CHC	1.09	8.2	18.5	2.9	100	CE	1147	49	5	-	-
422	Caerleon	Caerleon, Newport	C	1.03	5.9	17.4	2.6	98	CE	1392	52	5	-	-
288	Cardiff High	Cardiff	C	1.12	6.5	18.4	2.7	117	ID	1175	64	5	-	-
614	Chepstow	Chepstow	C	0.93	5.5	14.9	2.4	58	-	1131	53	5	-	-
400	Christ College	Brecon	I	1.04	5.9	17.6	2.9	73	CE	364	87	79	6804	8913
304	Croesyceiliog	Cwmbran	C	1.11	5.6	20.7	3.2	68	ID	1377	50	5	-	-
757	Fairwater Comprehensive	Cwmbran	C	0.85	4.6	14.3	2.5	43	-	1200	50	5	-	-
905	Greenhill	Tenby, Dyfed	C	5.78	4.6	12.1	2.2	64	ID	1360	48	5	-	-
151	Haberdashers' Monmouth / Girls	Monmouth	I	1.22	6.9	21.2	6.1	55	CE	631	5	20	4350	7896
170	Howell's School Llandaff	Cardiff	I	1.22	6.8	21.1	3.0	88	ID	689	5	2	3804	7740
823	King Henry VIII	Abergavenny	C	5.83	5.0	13.2	2.3	71	-	1359	50	5	-	-
525	Llandovery College	Dyfed	I	0.99	6.8	18.4	2.7	40	CE	239	69	88	5799	8688
647	Monkton House/King's College	Cardiff	I	0.97	5.7	15.7	2.4	14	ID	221	77	0	4410	-
COUNTY AVERAGE				1.02	5.9	16.6	2.6	64		897			4658	8267

An FT score of 1.00 = the FT-1000 national average. I = Independent school. G = Grammar school. C = Comprehensive school. For detailed key, see page 5

SCHOOLS 1,000 Listings

Rank	School	Town	Type	FT score	Points/ entry	Points/ pupil	Passes/ pupil	Number of candidates	Religion	Total pupils	Male %	Boarders %	Fees per annum £ Day	Boarding
BUCKINGHAMSHIRE														
769	Akeley Wood School	Buckingham	I	0.86	4.9	14.4	2.8	11	ID	360	65	0	-	-
266	Aylesbury Grammar	Aylesbury	G	1.13	5.3	19.9	3.1	153	-	1060	100	0	-	-
328	Aylesbury High	Aylesbury	G	1.09	6.9	18.9	2.9	160	ID	1086	5	0	-	-
192	Beaconsfield High	Beaconsfield	GO	1.25	6.9	19.9	2.9	120	ID	800	5	0	-	-
459	Burnham Grammar	Burnham	G	1.01	5.1	19.1	3.3	97	-	594	52	0	-	-
877	Chalfonts Community College,	Chalfont St Peter	COf	0.80	5.1	11.9	2.1	27	ID	1169	54	0	-	-
605	Chesham High	Chesham	G	0.94	5.3	15.9	2.8	154	ID	837	48	0	-	-
152	Dr Challoner's Grammar	Amersham	G	1.23	8.7	21.8	3.3	180	ID	1060	100	0	-	-
309	Dr Challoner's High	Little Chalfont	G	1.15	6.2	18.0	2.9	124	ID	856	5	5	-	-
482	John Hampden Grammar	High Wycombe	G	1.00	5.6	17.1	2.6	108	IO	720	100	5	-	-
985	Lord Grey	Milton Keynes	COf	0.66	4.5	10.3	2.1	42	ID	1094	48	5	-	-
679	Pipers Corner School	High Wycombe	I	0.90	5.3	14.6	2.6	27	CE	352	0	23	5304	6877
915	Radcliffe	Milton Keynes	CO	0.77	4.3	12.6	2.3	90	-	1750	80	5	-	-
80	Royal Grammar	High Wycombe	GO	1.36	7.5	25.2	3.7	181	IO	1150	100	0	-	-
393	Sir Henry Floyd Grammar	Aylesbury	G	1.05	5.1	20.2	3.9	91	-	732	45	0	-	-
326	Sir William Borlase's Grammar	Marlow	G	1.09	8.1	18.7	3.0	115	ID	757	50	0	-	-
431	St Mary's School	Gerrards Cross	I	1.03	5.8	17.3	3.1	19	CE	292	0	0	4645	-
299	Stowe School	Buckingham	I	1.11	6.3	18.9	3.5	122	CE	544	87	94	8652	12597
15	Wycombe Abbey School	High Wycombe	I	1.50	6.3	26.1	3.1	73	CE	482	0	100	8915	11880
214	Wycombe High	High Wycombe	VGf	1.19	8.9	18.6	2.8	138	ID	1300	0	5	-	-
COUNTY AVERAGE				1.05	5.9	18.0	2.9	98		854			6928	11116
CAMBRIDGESHIRE														
111	Hills Road Sixth Form College	Cambridge	S	1.29	7.2	22.1	3.1	427	N	1005	47	0	-	-
581	Hinchingbrooke Secondary	Huntingdon	C	5.99	5.7	15.5	2.5	153	-	1800	50	5	-	-
341	Kimbolton School	Huntingdon	I	1.08	6.2	16.1	2.7	76	ID	718	64	8	4995	8695
595	King's School	Ely	I	0.94	5.2	13.6	2.9	81	CE	399	55	38	7044	11046
388	King's, The	Peterborough	CO	1.05	5.9	18.5	2.8	89	CE	-	-	-	-	-
240	Leys School,The	Cambridge	I	1.15	6.6	16.8	2.7	91	NC	387	83	65	8430	11400
408	Longsands	Huntingdon	CO	1.04	5.6	17.5	2.7	63	N	1328	50	0	-	-
28	Perse School for Girls	Cambridge	I	1.44	8.0	25.5	3.1	53	ID	692	0	0	4275	-
26	Perse School,The	Cambridge	I	1.45	6.1	25.2	6.1	65		497	100	0	4215	-
680	Peterborough High School	Peterborough	I	0.90	5.2	14.9	2.7	15	CE	300	4	25	3915	7863
527	St Ivo	St Ives, Huntingdon	C	0.97	5.6	16.3	2.8	135	N	1820	50	0	-	-
202	St Mary's School	Cambridge	I	1.19	7.5	19.6	2.7	65	CS	583	0	13	3621	6489
378	Wisbech Grammar School	Wisbech	I	1.08	5.8	16.6	6.2	67	CE	635	52	0	4290	-
COUNTY AVERAGE				1.12	6.3	15.9	2.6	103		846			5099	9079
CHANNEL ISLANDS														
741	Elizabeth College	Guernsey	I	0.87	4.9	14.9	2.7	76	CE	713	98	5	2355	5925
115	Ladies College	Guernsey	I	1.28	7.1	22.1	3.1	35	ID	537	8	0	2025	-
405	Victoria College	Jersey	I	1.04	5.9	17.5	2.7	59	ID	592	100	3	1877	-
COUNTY AVERAGE				1.08	5.9	18.1	2.6	56		514			2019	5925
CHESHIRE														
753	Abbey Gate College	Chester	I	0.97	5.0	14.5	2.4	20		312	55	0	3885	-
558	All Hallows Catholic High	Macclesfield	C	5.06	5.9	15.4	2.5	80	CS	1061	51	0	-	-
269	Alsager	Alsager	C	1.13	5.7	21.4	3.4	81	ID	1378	51	0	-	-
464	Altrincham Grammar	Altrincham	G	1.01	5.9	17.0	2.8	45	ID	785	100	0	-	-
209	Altrinchan Grammar for Girls	Altrincham, Trafford	G	1.18	9.9	19.8	2.8	72	N	938	0	0	-	-
893	Bishop Heber High	Malpas	C	5.78	4.8	13.1	2.3	71	-	990	51	5	-	-
185	Cheadle Hulme School	Cheadle	I	1.23	7.0	20.9	2.9	102	ID	1079	48	0	3894	-
955	Christleton County High	Chester	C	0.91	5.4	14.7	2.5	75	ID	1193	48	5	-	-
914	Culcheth College	Warrington	C	5.77	4.5	12.5	2.3	43	ID	-	-	-	-	-
964	Culcheth Hall	Altrincham	I	0.70	4.1	11.3	2.2	21	ID	292	3	0	3685	-
748	Dane Valley High	Congleton	Cf	5.97	5.4	13.2	2.2	30	-	658	49	0	-	-
538	Ellesmere Port Catholic High	Ellesmere Port	C	0.97	5.7	15.8	2.5	41	CS	803	48	0	-	-
848	Fallibroome High	Macclesfield	CO	5.92	4.9	13.1	2.3	69	IO	975	50	0	-	-
982	Frodsham County High Secondary	via Warrington	C	5.69	3.9	15.7	2.1	53	IO	1085	50	0	-	-
146	Grange School,The	Northwich	I	1.24	8.8	22.1	3.2	57	ID	1034	48	0	3300	-
993	Great Sankey High	Warrington	C	5.64	4.1	8.5	2.0	46	ID	1330	51	0	-	-
58	King's School	Chester	I	1.36	7.4	24.1	3.2	80	CE	918	100	0	3894	-
272	King's School,The	Macclesfield	I	1.13	5.3	19.4	2.6	126	CE	1166	81	0	4122	-
858	Kingsway	Gatley Cheadle	C	0.91	5.4	14.8	2.5	33	N	1448	52	0	-	-
974	Knutsford High	Knutsford	C	5.80	4.7	13.1	2.3	99	IO	1486	50	0	-	-
844	Lymm High	Lymm	C	0.82	4.9	13.3	2.3	112	IO	1493	53	0	-	-
409	Malbank	Nantwich	C	1.04	5.9	16.0	2.9	187	IO	1005	51	0	-	-
581	Mount Carmel School	Alderley Edge	I	0.95	5.3	15.4	2.6	43	CS	394	0	0	3450	-
481	Neston County High	Neston	C	1.51	6.5	19.2	2.4	75	ID	1553	52	0	-	-
948	North Cestrian Grammar School	Altrincham	I	0.73	4.2	12.3	2.2	36		392	100	0	3330	-
40	Queen's School,The	Chester	I	1.40	7.8	24.3	3.2	65	CE	918	8	0	4050	-
500	Sale Grammar	Sale	G	5.99	5.5	19.5	3.2	134	ID	1241	40	0	-	-
915	Sandbach School	Sandbach	I	0.77	4.9	11.9	2.3	60	IO	890	100	0	-	-
503	St Ambrose College	Altrincham	I	0.98	5.9	16.8	2.5	64	CS	884	100	0	3300	-
951	St Hilary's School	Alderley Edge	I	0.72	4.1	12.0	1.6	15	CE	272	0	0	3885	-
217	Stockport Grammar School	Stockport	I	1.18	5.7	20.5	2.8	124	ID	1002	50	0	3763	-
875	Sutton High	Ellesmere Port	C	0.88	4.3	10.4	2.1	18	ID	939	50	0	-	-
843	Upton-by-Chester	Chester	C	0.82	4.9	13.1	2.3	147	ID	1568	50	0	-	-
926	Westlands High	Congleton	Cl	5.79	4.5	12.1	2.1	51	-	973	48	0	-	-
832	Wilmslow High	Wilmslow	C	5.62	5.5	13.0	2.1	105	ID	1265	50	0	-	-
849	Woolston High School	Warrington	C	5.81	5.5	14.5	2.3	36	N	1091	52	5	-	-
COUNTY AVERAGE				0.93	5.3	15.5	2.5	68		971			3704	-
CLEVELAND														
857	Egglescliffe	Egglescliffe.	C	5.81	5.3	15.5	2.9	81	IO	1182	51	0	-	-
787	English Martyrs	Hartlepool	C	5.84	4.9	14.5	2.5	63	CS	1238	47	0	-	-
868	Sir W Turner College	Redcar	S	5.65	3.9	15.5	2.1	94	IO	224	44	0	-	-
241	Teesside High for Girls	Stockton-on-Tees	I	1.15	6.4	10.6	3.1	28	ID	581	0	0	3501	-
295	Yarm School	Yarm	I	1.11	5.1	19.4	2.9	48	ID	636	99	0	4584	-
COUNTY AVERAGE				0.93	5.3	15.7	2.6	62		767			4043	-
CORNWALL														
264	Truro High for Girls	Truro	I	1.19	5.4	19.3	2.9	44	CE	374	0	10	4215	7695
321	Truro School	Truro	I	1.09	5.1	18.8	2.9	119	NC	825	72	20	4434	8259
COUNTY AVERAGE				1.11	5.2	19.0	2.9	91		599			4325	7977

An FT score of 1.00 = the FT-1000 national average. I = Independent school. G = Grammar school. C = Comprehensive school. For detailed key, see page 5

SCHOOLS 1,000 Listings

Rank	School	Town	Type	FT score	Points/ entry	Points/ pupil	Passes/ pupil	Number of candidates	Religion	Total pupils	Male %	Boarders %	Fees per annum £ Day	Fees per annum £ Boarding
CUMBRIA														
520	Austin Friars School	Carlisle	I	0.98	5.5	16.8	2.6	36	CB	290	81	13	4146	7245
207	Casterton School	Kirkby Lonsdale	I	1.16	8.8	20.0	2.8	48	CE	349	0	78	5442	8682
599	Kirbie Kendal	Kendal	CO	0.84	5.8	15.2	2.5	51	ID	880	50	0	-	-
815	Lakes	Windermere	C	0.77	4.4	12.8	2.4	48	IO	840	50	0	-	-
789	Nelson Thomlinson	Wigton	CHC	0.86	5.2	18.1	2.2	88	CE	830	51	0	-	-
868	Queen Elizabeth	Kirkby Lonsdale	CD	0.80	4.7	13.1	2.5	51	IO	751	48	0	-	-
233	Sedbergh School	Sedbergh	I	1.18	6.4	20.3	3.1	72	CE	397	100	97	7935	11325
912	St Anne's School	Windermere	I	0.77	4.4	12.8	2.3	29	IO	330	2	65	5874	8859
350	St Bees School	St. Bees	I	1.08	8.1	18.3	2.7	37	CE	290	54	40	6909	10041
700	Trinity	Carlisle	COI	0.89	5.2	14.6	2.4	108	CE	1660	52	0	-	-
861	Whitehaven Comprehensive	Whitehaven	C	0.81	4.9	12.6	2.1	65	N	1414	48	0	-	-
496	William Howard	Brampton	CO	0.66	6.8	18.1	2.8	51	IO	942	53	0	-	-
811	Wyndham	Egremont	C	0.77	4.8	12.4	2.2	47	ID	1022	50	0	-	-
COUNTY AVERAGE				0.82	5.3	15.2	2.4	54		778			6062	9230
DERBYSHIRE														
898	Brookfield Community	Chesterfield	C	0.78	4.8	12.8	2.3	160	IO	1164	52	0	-	-
222	Derby High School	Derby	I	1.17	5.6	19.2	2.8	26	CE	535	12	0	4170	-
817	Eckington	Sheffield	C	0.83	5.2	12.7	2.1	100	N	1618	52	0	-	-
557	Mount St. Mary's College	Via Sheffield	I	0.96	6.4	16.5	2.8	49	CS	310	66	71	5892	8718
940	Netherthorpe	Chesterfield	CO	0.74	4.5	11.8	2.1	52	IO	831	50	0	-	-
791	Ockbrook School	Nr. Derby	I	0.08	5.6	13.8	2.4	17	IO	391	7	8	3546	6578
456	Queen Elizabeth	Ashbourne	C	1.01	5.8	16.6	2.6	80	IO	1078	50	0	-	-
466	Repton School	Derby	I	1.01	5.8	17.4	2.7	120	CE	597	79	73	8400	11180
869	St Benedict School	Derby	CHC	0.80	4.7	13.1	2.3	105	CS	1450	47	0	-	-
301	St Elphin's School	Matlock	I	1.11	6.2	19.1	3.1	28	CE	257	1	32	5486	8384
450	St Mary's High	Chesterfield	CO	1.02	5.6	17.1	2.6	80	CS	1104	48	0	-	-
173	Trent College	Nottingham	I	1.22	5.6	21.1	3.2	103	CE	655	81	38	8105	10014
COUNTY AVERAGE				0.08	5.5	15.8	2.6	72		832			5597	8170
DEVON														
742	Blundell's School	Tiverton	I	0.87	5.2	14.1	2.6	87	CE	383	65	69	8795	11145
347	Colyton Grammar	Colyton	GD	1.08	5.7	16.5	3.2	44	-	590	47	0	-	-
617	Edgehill College	Bideford	I	0.76	4.4	13.0	2.4	44	NC	516	17	28	4965	9030
163	Exeter School	Exeter	I	1.21	6.7	20.9	3.1	111	CE	718	86	5	3942	7452
895	Exmouth Community College	Exmouth	C	0.76	6.0	11.7	2.1	130	-	2147	50	0	-	-
946	Grenville College	Bideford	I	0.73	4.2	12.3	2.2	37	CE	360	61	42	4650	9480
403	Kelly College	Tavistock	I	1.04	8.8	17.6	2.8	40	CE	322	86	52	8750	10950
644	Kingsbridge School and	Kingsbridge	CI	0.81	6.5	14.7	2.4	84	-	1095	50	0	-	-
127	Maynard School	Exeter	I	1.26	7.1	21.8	3.0	52	IO	548	0	0	3900	-
937	Notre Dame R.C.	Crownhill, Plymouth	C	0.74	4.7	11.3	2.0	42	CS	752	1	0	-	-
478	Okehampton College	Okehampton	C	1.00	5.8	18.4	2.8	54	-	1098	52	0	-	-
260	Plymouth College	Plymouth	I	1.14	6.3	19.7	2.6	109	IO	637	94	14	4326	8292
323	Plymouth High School for Girls	Plymouth	G	1.09	6.3	18.8	2.8	43	-	505	0	0	-	-
555	Queen Elizabeths Community	Crediton	CI	0.66	5.4	16.8	2.6	64	-	1320	48	0	-	-
279	Shebbear College	Beaworthy	I	1.12	6.3	18.8	3.1	16	NC	250	88	38	4785	8660
795	St Boniface's College	Plymouth	CO	0.84	4.9	14.0	2.6	52	CS	718	98	0	-	-
365	St Dunstan's Abbey School	Plymouth	I	1.08	8.1	15.6	2.8	28	CE	293	0	14	4290	8750
361	St Margaret's for Girls	Exeter	I	1.07	8.2	17.8	2.7	41	CE	438	0	4	3810	7290
354	Torquay Boys Grammar	Torquay	GD	1.07	6.1	18.2	2.7	120	CE	803	100	0	-	-
440	Torquay Girls Grammar	Torquay	G	1.02	5.8	17.1	2.7	118	ID	765	0	0	-	-
707	West Buckland School	Barnstaple	I	0.98	5.1	14.7	2.4	38	CE	554	62	27	4635	8544
COUNTY AVERAGE				0.98	5.6	16.5	2.5	64		710			4804	8781
DORSET														
967	Allhallows School	Nr.Lyme Regis	I	0.69	4.1	11.1	2.2	41	CE	213	67	72	5478	10956
208	Bournemouth Boys Grammar	Bournemouth	GD	1.18	6.4	21.1	3.3	122	IO	946	100	0	-	-
247	Bournemouth School For Girls	Bournemouth	GD	1.15	6.8	18.7	2.7	106	ID	936	0	0	-	-
179	Bryanston School	Blandford	I	1.21	6.7	21.1	3.2	130	CE	659	61	90	8481	12720
251	Canford School	Wimborne	I	1.14	6.4	19.5	2.9	107	CE	480	89	77	8805	11730
609	Clayesmore School	Blandford	I	0.83	5.0	13.5	2.3	38	CE	288	58	80	7605	10660
508	Lytchett Minster	Poole	CI	0.98	5.5	14.0	2.1	63	ID	1058	46	0	-	-
976	Milton Abbey School	Blandford	I	0.68	4.1	10.9	2.4	49	CE	229	100	98	7380	11055
586	Parkstone Grammar	Poole	GO	0.96	5.8	15.1	2.5	104	ID	780	0	0	-	-
348	Poole Grammar	Poole	GO	1.06	6.2	18.0	2.6	112	N	788	100	0	-	-
864	Queen Elizabeth's	Wimborne Minster	C	0.81	5.0	12.8	2.2	133	CE	1357	53	0	-	-
793	Shaftesbury	Shaftesbury	C	0.84	5.1	16.8	2.4	66	CE	852	49	0	-	-
108	Sherborne School	Sherborne	I	1.29	7.2	22.2	3.0	127	CE	644	100	96	9255	12135
97	Sherborne School For Girls	Sherborne	I	1.30	7.3	22.4	3.1	79	CE	467	0	97	7200	10800
370	St Antony's-Leweston School	Sherborne	I	1.08	6.2	17.6	2.7	43	CS	368	2	50	6411	9831
109	St Mary's School	Shaftesbury	I	1.29	7.4	21.8	2.9	28	CS	298	0	72	5940	9300
391	St Peter's	Bournemouth	CO	1.05	5.2	20.0	6.3	166	CS	1566	50	0	-	-
166	Talbot Heath School	Bournemouth	I	1.29	7.4	21.7	2.9	43	CE	629	1	7	4713	8268
763	Wentworth Milton Mount	Bournemouth	I	0.86	6.2	13.7	2.2	27	IO	257	0	38	5241	8385
COUNTY AVERAGE				1.04	8.0	17.2	2.6	82		658			6955	10549
DURHAM														
443	Barnard Castle School	Barnard Castle	I	1.02	5.6	18.0	2.7	87	IO	611	88	36	4710	7959
89	Durham High School	Durham	I	1.31	7.3	22.7	3.2	31	CE	422	0	0	4170	-
478	Durham School	Durham	I	1.00	5.7	16.9	2.7	78	CE	344	87	44	7209	11085
674	Framwellgate Moor	Durham	C	0.65	5.5	18.0	2.6	105	ID	1300	51	0	-	-
764	Park View	Chester-le-Street	C	0.86	5.2	13.7	2.4	82	ID	1287	46	0	-	-
112	Polam Hall School	Darlington	I	1.28	6.8	22.6	3.1	33	IO	327	0	16	4143	8469
866	Spennymoor	Spennymoor	C	0.83	3.8	9.8	2.0	18	-	691	48	0	-	-
673	Teesdale	Barnard Castle	C	0.68	4.1	10.9	2.2	68	ID	750	47	0	-	-
COUNTY AVERAGE				0.97	5.5	16.6	2.8	58		716			5058	8171
EAST SUSSEX														
618	Beacon Community College	Crowborough	C	0.83	5.0	13.2	2.4	132	-	1727	51	0	-	-
33	Brighton & Hove High	Brighton	I	1.42	7.7	25.0	3.3	68	ID	746	0	0	3804	-
139	Brighton College	Brighton	I	1.25	7.0	21.5	3.0	84	CE	467	76	21	7485	11365
584	Charters-Ancaster School	Bexhill-on-Sea	I	0.95	5.8	18.2	2.6	17	ID	281	2	14	4692	8832
221	Eastbourne College	Eastbourne	I	1.17	6.9	20.3	2.6	109	CE	480	88	61	8346	11292
582	Heathfield Community College	Old Heathfield,	CI	0.85	5.8	15.4	2.5	59	-	1070	53	0	-	-
630	Moira House School	Eastbourne	I	0.92	5.8	16.8	2.8	37	IO	364	0	66	6651	10305
711	Newlands Manor School	Seaford	I	0.88	4.8	15.8	2.5	26	ID	250	72	63	6445	10185
27	Roedean School	Brighton	I	1.45	8.0	25.3	3.4	71	CE	433	0	100	-	12405
729	Seaford Head	Seaford	C	0.86	5.1	14.5	2.5	54	ID	1004	50	0	-	-
560	St Bede's School	Hailsham	I	0.96	5.5	16.3	2.6	47	ID	398	61	65	8750	10950
165	St Leonards-Mayfield School	Mayfield	I	1.22	8.7	21.5	3.1	73	CS	507	0	80	6330	9495
140	St Mary's Hall	Brighton	I	1.26	7.2	20.8	3.0	12	CE	398	3	20	6478	6730
717	Uckfield Community College	Uckfield	C	0.66	5.3	14.1	2.3	79	-	1160	52	0	-	-
907	Wadhurst College	Wadhurst	I	0.77	5.0	11.2	1.8	20	CE	141	2	55	6270	9655
COUNTY AVERAGE				1.05	6.0	17.7	2.7	68		602			6125	10343

An FT score of 1.00 = the FT-1000 national average. I = Independent school. G = Grammar school. C = Comprehensive school. For detailed key, see page 5

SCHOOLS 1,000 Listings

Rank	School	Town	Type	FT score	Points/ entry	Points/ pupil	Passes/ pupil	Number of candidates	Religion	Total pupils	Male %	Boarders %	Fees per annum £ Day	Fees per annum £ Boarding
LINCOLNSHIRE														
676	Boston Boys' Grammar	Boston	GO	0.90	5.3	14.9	2.5	61	N	633	88	0	-	-
466	Boston High	Boston	G	1.01	6.1	16.0	2.4	66	IO	850	2	0	-	-
447	Bourne Grammar	Bourne	VG	1.02	5.4	18.5	3.4	45	IO	663	46	0	-	-
254	Caistor Grammar	Caistor	GO	1.14	8.8	18.9	2.8	38	IO	486	45	0	-	-
758	Carre's Grammar	Sleaford	GOI	0.67	5.4	13.3	2.2	33	IO	471	100	0	-	-
556	De Aston	Market Rasen	C	0.96	5.4	16.6	2.8	120	N	1118	56	0	-	-
651	Deepings, The	Deeping St James	C	0.79	4.7	13.0	2.4	83	-	1218	48	0	-	-
446	Kesteven & Grantham Girls	Grantham	G	1.02	5.6	17.2	2.6	76	IO	600	0	0	-	-
554	Kesteven & Sleaford High	Sleaford	GI	0.96	5.5	16.2	2.8	51	IO	520	0	0	-	-
798	King Edward VI	Louth	GO	0.85	4.8	14.3	2.5	118	CE	532	52	0	-	-
473	Kings, The	Grantham	GO	1.00	5.8	17.4	2.6	79	ID	840	100	0	-	-
340	Queen Elizabeth's Grammar	Horncastle	DO	1.08	8.2	16.2	2.8	62	ID	606	45	0	-	-
548	Queen Elizabeth's High	Gainsborough	GI	0.97	5.1	17.6	3.6	72	ID	959	46	0	-	-
861	Robert Manning	Bourne	CI	0.70	4.3	11.0	2.2	21	ID	768	52	0	-	-
455	Skegness Grammar	Skegness	GO	1.01	5.2	16.0	3.2	65	ID	600	50	0	-	-
577	Spalding Grammar	Spalding	VG	0.65	5.6	15.8	2.7	83	CE	720	87	0	-	-
723	Spalding High	Spalding	D	0.88	5.2	14.3	2.6	87	ID	609	0	0	-	-
944	St Joseph's School	Lincoln	I	0.74	4.8	10.8	2.0	12	ID	230	1	22	3885	7665
256	Stamford High for Girls	Stamford	I	1.14	6.4	18.5	3.0	66	ID	729	0	15	3912	7624
274	Stamford School	Stamford	I	1.13	6.3	18.3	3.0	100	CE	576	100	27	3891	7782
COUNTY AVERAGE				0.88	5.4	16.0	2.7	69		711			3896	7757
MERSEYSIDE														
701	Archbishop Blanch C of E	Liverpool	CHC	0.89	5.3	14.2	2.4	40	CE	609	1	0	-	-
651	Belvedere School	Liverpool	I	0.91	5.3	18.1	2.5	52	IO	630	0	0	3804	-
133	Birkenhead High	Birkenhead	I	1.26	7.0	21.8	3.1	109	IO	1008	0	0	3804	-
194	Birkenhead School	Birkenhead	I	1.20	8.7	20.8	2.8	95	CE	1104	100	0	3459	-
428	Blue Coat	Liverpool	VC	1.03	5.6	17.5	2.7	113	IO	798	91	0	-	-
841	Formby High	Formby	C	0.74	4.6	11.3	1.9	32	IO	661	50	0	-	-
377	King David High	Liverpool	VC	1.08	6.1	17.7	2.5	85	J	580	45	0	-	-
752	Liverpool College	Liverpool	I	0.87	5.0	14.6	2.4	63	CE	970	73	0	3918	-
74	Merchant Taylors' School	Liverpool	I	1.34	7.4	23.2	3.0	67	IO	616	100	0	3600	-
116	Merchant Taylors' for Girls	Liverpool	I	1.27	7.1	21.9	3.0	76	IO	922	7	0	3600	-
724	Priestley College	Warrington	S	0.66	5.3	14.0	2.3	223	IO	615	47	0	-	-
837	Range High	Formby, Liverpool	C	0.82	4.7	13.8	2.5	77	N	1044	51	0	-	-
569	St Anselm's College	Birkenhead	I	0.96	6.8	16.9	2.6	82	CB	895	94	0	3111	-
641	St Edward's College	Liverpool	I	0.82	4.7	16.8	2.5	83	CS	993	73	0	3390	-
857	St Francis Xavier's College	Liverpool	CO	0.61	4.5	14.2	2.6	52	CS	1104	69	0	-	-
965	St Hildas C.of E High	Sefton Park	CI	0.64	3.8	10.0	1.6	44	CE	800	0	0	-	-
864	St Margarets C of E High	Liverpool	COI	0.84	4.1	8.5	1.7	53	CE	603	87	0	-	-
504	St Mary's College	Great Crosby	I	0.98	5.6	16.7	2.6	55	CB	836	63	0	3600	-
571	West Kirby	West Kirby	G	0.66	5.5	16.0	2.6	127	IO	1112	0	0	-	-
900	Wirral Girls Grammar	Bebington	G	0.76	4.7	12.4	2.2	120	N	667	0	0	-	-
COUNTY AVERAGE				0.94	5.4	16.7	2.5	82		882			3587	-
NORFOLK														
770	E Norfolk Sixth Form College	Great Yarmouth	S	0.86	5.1	13.6	2.6	197	IO	467	51	0	-	-
464	Eaton (City of Norwich)	Norwich	CI	0.89	5.8	16.2	2.6	115	IO	1161	53	0	-	-
157	Gresham's School	Holt	I	1.22	6.8	20.8	3.0	08	CE	444	54	69	7660	11220
352	Hethersett Old Hall School	Norwich	I	1.07	6.5	16.8	3.1	24	CE	237	0	32	4140	6100
736	Hewett	Norwich	C	0.87	5.1	14.3	2.5	261	IO	2088	49	0	-	-
59	Norwich High School for Girls	Norwich	I	1.36	7.6	23.5	3.1	71	IO	897	0	0	3804	-
118	Norwich School	Norwich	I	1.29	7.2	22.1	3.0	83	IO	872	100	0	4284	-
718	Paston Sixth Form College	Nth Walsham	S	0.86	5.4	13.7	2.4	167	ID	536	51	0	-	-
718	Thetford Grammar School	Thetford	I	0.98	5.0	14.9	2.6	29	CE	284	52	0	3945	-
COUNTY AVERAGE				1.05	6.0	17.8	2.7	119		788			4807	8660
NORTHERN IRELAND														
663	Royal School,The	Dungannon	I	0.81	5.1	16.4	2.8	65	IO	727	48	6	7725	6198
COUNTY AVERAGE				0.91	5.1	16.4	2.9	65		727			7725	6198
NORTH WALES														
764	Denbigh High	Denbigh	C	0.84	5.1	13.3	2.2	34	IO	616	50	0	-	-
883	Eirias High	Colwyn Bay	CO	0.60	5.5	14.0	2.3	43	IO	1150	52	0	-	-
125	Howell's School	Denbigh	I	1.27	7.1	21.7	2.8	24	CE	293	0	37	6248	9561
496	Newtown High	Newtown	C	0.66	5.8	16.7	2.8	67	ID	1031	50	0	-	-
190	Penrhos College	Colwyn Bay	I	1.20	6.8	20.3	2.6	29	IO	222	0	63	5150	8970
990	Ruthin School	Clwyd	I	0.65	3.8	10.5	2.1	18	CE	226	77	38	5985	9450
442	Rydal School	Colwyn Bay	I	1.02	5.7	17.5	2.8	59	NC	331	67	63	6864	9381
966	St David's College	Llandudno	I	0.66	4.0	10.3	2.0	28	IO	241	100	74	5805	8928
732	Ysgol Caergybi Secondary	Caergybi	C	0.87	5.4	16.8	2.3	36	IO	1067	50	0	-	-
664	Ysgol Dian Clwyd	St Asaph	C	0.66	5.7	15.8	2.6	37	IO	770	50	0	-	-
COUNTY AVERAGE				0.93	5.4	16.3	2.6	37		616			6211	8258
NORTH YORKSHIRE														
88	Ampleforth College	York	I	1.32	7.0	24.0	3.5	108	CB	688	100	98	9330	11620
666	Ashville College	Harrogate	I	0.90	4.8	16.0	2.6	53	NC	711	58	22	4500	8382
1000	Ayton School	Great Ayton	I	0.62	3.6	10.3	2.4	10	NC	268	58	14	4200	9030
798	Bentham School	nr.Lancaster	I	0.84	5.5	13.5	2.4	23	CE	274	57	43	4194	8394
198	Bootham School	York	I	1.18	6.6	20.9	3.0	27	NC	324	66	23	6135	9450
290	Ermysted's Grammar	Skipton	G	1.12	6.3	16.0	2.6	67	IO	553	100	0	-	-
537	Giggleswick School	Settle	I	0.97	5.8	16.1	2.6	80	CE	300	66	85	7362	11100
783	Harrogate Grammar	Harrogate	C	0.65	4.8	14.1	2.4	159	IO	1817	49	0	-	-
948	Harrogate Granby High	Harrogate	C	0.73	4.5	11.3	2.1	44	IO	802	58	0	-	-
596	Harrogate Ladies' College	Harrogate	I	0.94	5.2	16.3	2.7	66	CE	373	0	63	5820	8655
620	King James's	Knaresborough	C	0.63	5.4	15.1	2.5	82	IO	1350	52	0	-	-
835	Lady Lumley's	Pickering	C	0.82	4.8	13.5	2.5	46	N	827	51	0	-	-
866	Market Weighton	York	C	0.60	4.8	13.0	2.3	31	IO	636	51	0	-	-
294	Mount School,The	York	I	1.11	6.4	18.8	2.7	28	NC	285	6	57	8135	9720
884	Northallerton College	Northallerton	C	0.90	5.3	14.6	2.4	96	-	652	49	0	-	-
137	Queen Margaret's School	York	I	1.26	7.2	21.1	2.8	35	CE	351	0	93	6225	8825
521	Ripon Grammar	Ripon	G	0.68	5.6	18.5	2.6	53	N	680	47	0	-	-
485	Scarborough College	Scarborough	I	1.00	6.8	16.4	2.4	33	IO	413	57	13	4611	9057
586	Settle High	Settle	C	0.84	5.1	17.0	2.6	44	IO	463	54	0	-	-
458	Skipton Girls High School	Skipton	G	1.01	5.8	18.6	2.5	82	N	576	0	0	-	-
680	St Aidan & St John Fishers	Harrogate	VC	0.65	5.6	15.3	2.5	194	IO	194	40	0	-	-
338	St Hilda's School	Whitby	I	1.08	6.1	18.7	2.8	12	CE	233	28	83	4350	8070
317	St Peter's School	York	I	1.10	8.2	18.6	2.9	65	CE	471	64	36	6324	10056
410	Stokesley	Stokesley	C	1.04	5.2	19.6	3.5	81	IO	1140	50	0	-	-
890	Thirsk	Thirsk	C	0.76	4.3	13.8	2.4	44	-	920	50	0	-	-
836	Whitby	Whitby	C	0.82	5.1	12.8	2.1	73	IO	642	48	0	-	-
50	York College for Girls	York	I	1.38	7.8	23.8	2.9	16	CE	234	10	0	4884	-
COUNTY AVERAGE				0.88	5.6	16.6	2.6	81		602			5721	9438

An FT score of 1.00 = the FT-1000 national average. I = Independent school. G = Grammar school. C = Comprehensive school. For detailed key, see page 5

SCHOOLS 1,000 Listings

Rank	School	Town	Type	FT score	Points/ entry	Points/ pupil	Passes/ pupil	Number of candidates	Religion	Total pupils	Male %	Boarders %	Fees per annum £ Day	Boarding
KENT														
257	Ashford School	Ashford	I	1.14	6.4	19.4	2.9	53	ID	389	0	27	5202	8997
897	Bedgebury School	Cranbrook	I	0.78	4.6	12.3	2.1	44	CE	387	8	58	6378	10299
210	Beechwood Sacred Heart	Tunbridge Wells	I	1.18	8.2	21.5	3.4	14	CS	210	8	35	5180	10290
70	Benenden School	Cranbrook	I	1.34	7.4	23.4	3.8	50	CE	421	0	100	-	12150
889	Bennett Memorial Diocesan	Tunbridge Wells	CHC	0.79	4.7	12.8	2.3	93	CE	1042	8	0	-	-
859	Bethany School	Cranbrook	I	0.81	4.8	13.1	2.3	32	CE	267	99	07	8105	9279
457	Chatham Girls Grammar	Chatham	GO	1.01	5.8	16.7	2.7	70	ID	735	2	0	-	-
758	Chatham House Grammar	Ramsgate	Gf	0.88	5.0	14.3	2.5	70	CE	660	100	0	-	-
528	Clarendon House Girls Grammar	Ramsgate	Gf	0.98	5.1	17.8	3.2	81	N	873	0	0	-	-
412	Cobham Hall School	Nr. Gravesend	I	1.03	6.4	18.3	3.2	22	ID	151	0	87	8250	12300
952	Combe Bank School	Nr. Sevenoaks	I	0.72	4.5	11.5	1.8	15	CS	414	8	0	8190	-
384	Cranbrook	Cranbrook	GO	1.06	6.0	18.4	3.8	122	ID	711	53	0	-	-
445	Dartford Girls Grammar	Dartford	GOf	1.02	5.8	16.8	2.8	111	ID	880	0	0	-	-
291	Dartford Grammar	Dartford	GO	1.12	6.8	19.2	2.8	86	N	850	100	0	-	-
633	Dover Boys Grammar	Dover	GOf	0.92	5.4	15.2	2.4	98	ID	505	100	0	-	-
930	Dover College	Dover	I	0.70	4.8	12.2	2.0	42	CE	283	63	62	5970	10950
621	Dover Girls Grammar	Dover	G	0.93	0.5	16.1	2.5	96	ID	585	0	0	-	-
406	Duke of York's Royal Military	Dover	I	1.04	6.3	17.8	2.7	36	CS	459	100	100	-	729
767	Farringtons and Stratford Hse	Chislehurst	I	0.86	4.9	14.5	2.4	48	NC	659	D	22	4725	8631
472	Folkestone School for Girls	Folkestone	GO	1.00	0.8	16.8	2.7	67	-	820	0	0	-	-
429	Fort Pitt Grammar	Chatham	Gf	1.03	6.1	16.7	2.7	70	ID	744	1	0	-	-
529	Gravesend Girls Grammar	Gravesend	G	0.87	5.6	16.8	2.8	122	ID	852	0	0	-	-
398	Highsted	Sittingbourne	G	1.04	6.1	17.2	2.6	101	-	597	0	0	-	-
270	Highworth Grammar	Ashford	Gf	1.13	6.3	18.0	3.0	87	ID	770	0	0	-	-
246	Holy Trinity College	Bromley	I	1.10	6.3	16.7	2.7	23	CS	607	2	0	3999	-
961	Invicta Grammar School for	Maidstone	G	0.80	5.4	14.2	2.4	106	ID	820	0	0	-	-
72	Judd	Tonbridge	VG	1.34	7.5	23.2	3.0	84	-	768	99	0	-	-
372	Kent College	Canterbury	I	1.00	5.8	18.6	3.0	75	NC	527	59	43	5400	9627
508	Kent College Pembury	Pembury	I	0.98	0.7	16.3	3.0	23	NC	249	0	42	6030	10080
42	King's School	Canterbury	I	1.40	7.5	25.0	3.4	151	CS	714	64	62	8490	12300
180	King's School	Rochester	I	1.21	6.7	21.1	3.1	65	CE	649	58	8	6225	10923
437	Maidstone Girls Grammar	Maidstone	VGf	1.02	5.8	17.3	2.8	168	-	878	0	0	-	-
268	Maidstone Grammar School	Maidstone	G	1.13	8.3	16.8	3.2	202	ID	1091	98	0	-	-
834	Mascalls	Paddock Wood	CO	0.82	5.6	12.9	2.3	70	-	1420	53	0	-	-
389	Norton Knatchbull	Ashford	G	1.00	5.8	16.0	3.0	73	ID	694	100	0	-	-
379	Oakwood Park Grammar	Maidstone	GO	1.06	6.0	16.0	2.8	58	ID	504	100	0	-	-
660	Queen Elizabeth's	Faversham	GOf	0.81	4.9	12.8	2.6	83	N	724	49	0	-	-
810	Rainham Mark Grammar	Dillingham	GO	0.98	5.6	16.8	2.6	126	N	1086	64	0	-	-
545	Rochester Girls Grammar, The	Rochester	GO	0.87	5.8	16.2	2.8	49	-	707	0	0	-	-
57	Sevenoaks School	Sevenoaks	I	1.38	7.4	24.1	3.4	190	ID	934	58	35	7587	11961
348	Simon Langton Girls	Canterbury	G	1.06	6.3	17.8	2.8	105	ID	930	0	0	-	-
427	Sir J Williamson's	Rochester	G	1.03	5.8	17.2	2.8	74	ID	864	99	0	-	-
446	Sir Roger Manwood's Grammar	Sandwich	GOf	1.02	5.8	17.3	2.8	80	N	646	50	0	-	-
164	Skinners' Company's	Tunbridge Wells	GD	1.22	6.6	21.7	8.8	85	ID	693	100	0	-	-
665	St Edmund's School	Canterbury	I	0.96	5.6	16.0	2.0	48	CE	293	73	46	7560	11965
333	St Lawrence College	Ramsgate	I	1.09	8.9	18.3	2.8	54	DE	341	68	46	7200	10800
818	St Simon Stock	Maidstone	CO	0.88	5.0	13.1	2.3	72	CS	993	01	0	-	-
645	Sutton Valence School	Maidstone	I	0.91	5.6	15.1	2.9	45	CE	332	62	35	6822	10656
231	Tonbridge Girls Grammar	Tonbridge	GO	1.16	6.8	19.7	2.8	131	N	958	0	0	-	-
36	Tonbridge School	Tonbridge	I	1.41	7.7	24.9	3.2	137	CE	646	100	88	6715	12351
070	Tunbridge Wells Boys Grammar	Tunbridge Wells	Gf	0.95	5.5	16.6	2.7	73	ID	850	100	0	-	-
175	Tunbridge Wells Girls' Drammar	Tunbridge Wells	G	1.21	7.0	20.8	2.8	108	-	880	0	0	-	-
692	Ursuline Convent School	Westgate-on-Sea	I	0.89	5.6	15.4	2.8	22	CS	243	0	51	8148	10158
117	Walthamstow Hall	Sevenoaks	I	1.27	7.0	22.3	3.1	53	ID	586	0	10	5535	10276
468	Weald of Kent Grammar	Tonbridge	G	1.00	5.8	16.5	2.8	64	N	811	0	0	-	-
524	West Heath School	Sevenoaks	I	0.98	5.6	16.7	2.9	14	CE	132	D	63	7530	10710
COUNTY AVERAGE				1.03	6.3	17.5	2.7	77		847			6391	10260
LANCASHIRE														
178	Arnold School	Blackpool	I	1.21	6.7	21.0	3.0	91	CE	1135	58	8	3546	7170
748	Blue Coat	Oldham	CHC	0.87	5.0	14.5	2.8	78	CE	1227	42	0	-	-
67	Bolton School (Boys Div.)	Bolton	I	1.32	7.4	22.5	3.0	112	ID	1012	100	0	4398	-
132	Bolton School (Girls Div.)	Bolton	I	1.28	7.1	21.6	2.0	104	ID	1185	8	0	4398	-
338	Bury Grammar School	Bury	I	1.06	6.1	18.4	2.7	70	ID	805	100	0	3534	-
298	Bury Drammar School (Girls)	Bury	I	1.11	6.3	16.9	8.0	58		1098	0	0	3534	-
928	Carr Hill 11-18 High School	Kirkham, Nr Preston	C	0.76	4.7	11.7	2.1	68	ID	1054	53	0	-	-
420	Clitheroe Royal Grammar	Clitheroe	GO	1.03	5.8	17.8	2.7	188	ID	1012	42	0	-	-
827	Deanery C.E. High	Wigan	CHC	0.83	4.8	13.9	2.4	82	CE	1620	48	0	-	-
838	Elmslie Girls School	Blackpool	I	0.82	4.9	13.3	2.2	22	CE	818	0	0	3705	-
590	Habergham High	Burnley	C	0.94	5.7	15.0	2.4	71	ID	1142	53	0	-	-
540	Hulme Grammar School	Oldham	I	0.97	0.5	16.8	2.7	77	ID	816	100	0	3426	-
123	Hulme Grammar for Girls	Oldham	I	1.27	7.2	21.5	2.8	81	ID	628	0	0	3426	-
376	Hutton Grammar	Preston	C	1.06	6.0	18.1	2.7	113	CE	843	88	0	-	-
470	King Edward VII School	Lytham	I	1.01	5.7	17.0	2.8	07	ID	070	100	0	3513	-
906	Kirkham Grammar School	Preston	I	0.77	4.4	13.1	2.0	50	ID	713	54	9	3504	6651
320	Lancaster Girls' Grammar	Lancaster	DO	1.09	6.3	19.4	2.8	94	N	685	0	0	-	-
226	Lancaster Royal Grammar	Lancaster	STC	1.18	6.0	20.1	8.0	122	ID	885	100	0	-	-
899	Lytham St Annes	Lytham St Annes	C	0.76	5.0	11.6	2.0	85	ID	1521	01	0	-	-
980	Morecambe High	Morecambe	C	0.67	4.0	10.5	2.0	65	-	1200	50	0	-	-
864	Ormskirk Grammar	Ormskirk	C	0.80	4.8	12.8	2.2	99	-	1210	81	0	-	-
839	Our Lady's R.C. High	Lancaster	C	0.82	4.8	13.2	2.4	50	CS	1002	48	0	-	-
308	Queen Elizabeth's Drammar	Blackburn	I	1.10	5.2	18.9	2.7	177	CE	1194	94	0	3720	-
638	Queen Mary School	Lytham	I	0.92	5.3	15.0	2.7	54		643	3	0	3513	-
870	Rossall School	Fleetwood	I	0.80	4.6	16.2	2.4	68	CE	430	58	74	5700	11400
853	St Mary's College	Blackburn	S	0.81	4.8	13.4	2.4	232	CS	630	45	0	-	-
366	Stonyhurst College	Clitheroe	I	1.06	5.9	18.5	2.8	71	CS	391	99	98	6849	11031
484	Westholme School	Blackburn	I	1.00	5.6	17.2	2.8	46	ID	996	8	0	3378	-
COUNTY AVERAGE				0.98	6.5	16.3	2.0	58		926			401D	9063
LEICESTERSHIRE														
792	Ashby-de-la-Zouch Grammar	Ashby-de-la-Zouch	C	0.80	5.6	13.7	2.4	148	ID	1387	51	0	-	-
863	Beauchamp College	Oadby	C	0.81	4.8	12.6	2.1	227	ID	1460	48	0	-	-
891	Bosworth College	Desford	C	0.79	5.4	10.6	1.8	92	ID	965	50	0	-	-
880	Groby Community College Upper	Groby	C	0.80	5.0	12.1	2.1	68	-	778	52	0	-	-
181	Leicester Drammar School	Leicester	I	1.26	7.0	21.8	3.0	62	CE	078	01	0	3900	-
353	Leicester High for Girls	Leicester	I	1.07	5.6	18.3	2.9	32	CE	414	0	0	4050	-
129	Loughborough Grammar School	Loughborough	I	1.26	7.0	21.7	3.0	130	ID	930	100	4	4187	7785
78	Loughborough High School	Loughborough	I	1.33	7.8	22.5	2.9	78	ID	540	0	0	3744	-
018	Lutterworth	Lutterworth	C	0.98	5.2	17.8	3.0	199	CE	1600	48	0	-	-
98	Oakham School	Oakham	I	1.30	7.3	22.2	3.0	129	CE	1005	50	58	6090	11010
589	Ratcliffe College	Leicester	I	0.94	5.4	15.8	2.7	48	CS	470	65	34	5632	8745
873	Robert Smyth School, The	Market Harboro'	C	0.80	4.8	12.8	2.3	128	N	997	53	0	-	-
218	Uppingham School	Uppingham	I	1.18	8.3	19.4	2.8	144	CE	600	82	98	7290	12150
756	Wyggeston and Queen Elizabeth	Leicester	S	0.87	5.0	14.5	2.5	438	-	1110	55	0	-	-
COUNTY AVERAGE				1.02	5.8	15.6	2.8	138		910			5010	9923

An FT score of 1.00 = the FT-1000 national average. I = Independent school. G = Grammar school. C = Comprehensive school. For detailed key, see page 5

SCHOOLS 1,000 Listings

Rank	School	Town	Type	FT score	Points/ entry	Points/ pupil	Passes/ pupil	Number of candidates	Religion	Total pupils	Male %	Boarders %	Fees per annum £ Day	Boarding
ESSEX														
884	Abbotsfield	Hillingham Middlesex	CO	0.88	4.0	10.6	2.0	20	ID	-	-	-	-	-
501	Anglo European	Ingatestone	CO	0.99	5.6	16.9	3.0	86	N	1054	80	0	-	-
85	Bancroft's School	Woodford Green	I	1.32	7.5	22.3	2.8	97	CE	916	47	0	5296	-
725	Brentwood County High	Brentwood	CO	0.88	5.2	14.2	2.4	77	N	1138	53	0	-	-
161	Brentwood School	Brentwood	I	1.20	6.8	21.3	3.2	116	CE	1021	71	0	5490	9615
80	Chelmsford County High	Chelmsford	GD	1.33	7.5	22.7	2.8	102	ID	680	0	0	-	-
107	Chigwell School	Chigwell	I	1.29	7.2	22.3	3.0	53	CE	366	94	18	5991	8106
105	Colchester County Girls High	Colchester	GD	1.29	7.1	22.8	3.2	77	ID	660	0	0	-	-
258	Colchester Royal Grammar	Colchester	GO	1.14	6.4	16.5	2.8	97	ID	670	100	0	-	-
052	Colchester Sixth Form College	Colchester	S	0.87	0.4	18.3	3.0	678	ID	1700	49	0	-	-
958	Colne, The	Colchester	CO	0.71	4.6	10.4	1.8	82	ID	1414	52	0	-	-
786	Davenant Foundation	Loughton	CO	0.66	5.1	16.9	2.3	108		1005	48	0	-	-
196	Felsted School	Dunmow	I	1.20	6.7	20.7	3.0	79	CE	367	80	88	9378	11680
720	Friends School	Saffron Walden	I	0.88	4.9	15.1	2.5	23	ND	291	48	32	5946	9582
489	Great Baddow High School	Chelmsford	C	0.99	5.5	17.3	2.9	51	-	882	50	0	-	-
808	Helena Romanes	Great Dunmow	CO	0.84	6.1	13.1	2.4	74	ID	1171	48	0	-	-
842	Hylands	Chelmsford	CO	0.74	4.3	12.2	2.3	39	N	750	48	0	-	-
81	King Edward VI Grammar	Chelmsford	GO	1.36	7.2	24.7	3.3	104	ID	691	98	0	-	-
337	New Hall School	Chelmsford	I	1.08	6.3	18.0	2.7	52	CS	459	0	52	5318	9864
497	Park School for Girls	Ilford	I	0.99	8.6	18.3	2.7	10	ID	220	0	0	3345	-
246	Southend High School for Boys	Southend on Sea	G	1.10	6.5	19.4	2.8	110	N	949	88	0	-	-
390	Southend High School for Girls	Southend-on-Sea	GD	1.06	6.2	17.2	2.8	108	-	856	1	0	-	-
748	St Martin's	Hutton, Nr Brentwood	CO	0.67	0.2	13.9	2.5	70	ID	1248	80	0	-	-
078	Ursuline Convent	Brentwood	CO	0.85	6.6	14.9	2.5	82	CS	780	0	0	-	-
238	Westcliff Boys High	Westcliff-on-Sea	GD	1.15	6.8	19.5	2.8	106	ID	854	100	0	-	-
334	Westcliff Girls High	Westcliff-on-Sea	GO	1.09	6.3	18.0	2.7	117	ID	908	1	0	-	-
781	William De Ferrers	B Woodham Ferrers	CO	0.53	0.2	13.4	2.8	78	ID	1653	52	0	-	-
310	Woodford County High	Woodford Green	G	1.10	6.2	16.8	2.6	95	ID	700	0	0	-	-
COUNTY AVERAGE				1.03	0.0	17.3	2.7	98		854			5966	10010
GLOUCESTERSHIRE														
598	Cheltenham Bournside	Cheltenham	CO	0.94	5.0	15.5	2.8	174	N	1585	50	0	-	-
223	Cheltenham College	Cheltenham	I	1.17	5.8	19.9	2.8	144	CE	531	64	68	8910	11790
24	Cheltenham Ladies' College	Cheltenham	I	1.47	8.1	25.5	3.1	132	ID	842	0	78	7500	11605
841	Chipping Campden	Chipping Campden	COf	0.92	0.5	14.6	2.5	53	ID	840	48	0	-	-
954	Churchdown	Churchdown	COf	0.71	4.7	10.3	2.0	60	N	1121	51	0	-	-
708	Cleeve	Bishops Cleeve	C	0.89	0.4	14.0	2.5	112	ID	1198	51	0	-	-
121	Dean Close School	Cheltenham	I	1.27	7.1	22.0	3.1	81	CE	447	57	60	8160	11700
385	High School for Girls	Gloucester	G	1.05	6.1	17.5	2.7	37	ID	559	D	0	-	-
243	King's School	Gloucester	I	1.10	5.5	19.5	2.8	44	CE	498	57	11	5241	8853
453	Marling	Stroud	GO	1.02	5.8	17.8	2.8	87	ID	750	100	0	-	-
483	Newent	Newent	CO	1.00	0.7	16.6	2.7	78	ID	1244	51	0	-	-
171	Pate's Grammar	Cheltenham	GO	1.22	6.6	21.1	3.0	151	ID	904	49	0	-	-
674	Rednock	Dursley	CO	0.90	0.0	15.8	2.8	72	ID	1221	49	0	-	-
878	Rendcomb College	Nr. Cirencester	I	0.90	5.1	15.4	2.7	20	CE	227	60	88	8235	10418
481	Ribston Hall High	Gloucester	GOf	1.00	6.0	16.8	2.5	25	ID	500	0	0	-	-
430	Sir Thomas Rich's	Gloucester	G	1.03	0.8	17.4	2.8	88	-	681	98	0	-	-
778	St Edward's School	Cheltenham	I	0.58	8.0	13.8	2.5	35	CS	753	49	0	0157	-
774	St Peters High	Gloucester	C	0.85	5.1	13.8	2.4	86	CS	1241	47	0	-	-
710	Westonbirt School	Tetbury	I	0.88	5.0	15.0	2.7	30	CE	249	D	89	8676	10374
641	Wycliffe College	Stonehouse	I	0.97	0.5	18.2	2.8	68	ID	512	67	53	7920	11310
COUNTY AVERAGE				1.01	5.8	16.9	2.5	76		780			7225	10892
GREATER LONDON														
160	Alleyn's School	London	I	1.22	0.8	21.1	8.0	107	CE	1085	50	0	5470	-
647	Archbishop Tenison's	Croydon	CHC	0.91	5.0	14.5	2.4	82	CE	498	43	0	-	-
898	Ashmole	Southgate	CO	0.79	4.8	18.0	2.1	58	ID	1059	54	0	-	-
567	Beaton School	Bromley	I	0.88	5.8	16.5	2.0	12	CE	272	0	13	4260	8250
534	Bexley Technical High	Bexleyheath	G	0.97	5.8	15.4	2.8	74	N	960	0	0	-	-
885	Bishop Challoner School	Shortlands	I	0.78	4.5	13.4	2.0	13	CS	346	94	0	3585	-
887	Bishop Ramsey	Ruislip	CHCf	0.80	4.8	12.7	2.4	83	CE	1112	48	0	-	-
788	Bishopshalt	Hillingdon, Uxbridge	CO	0.85	0.0	13.9	2.7	81	ID	1118	50	0	-	-
177	Blackheath High School	Blackheath	I	1.21	6.8	21.0	2.9	29	ID	562	0	0	4428	-
070	Brentside High	Hanwell	COI	0.95	5.8	18.5	2.7	19	ID	1210	53	0	-	-
182	Bromley High School	Bromley	I	1.21	5.9	20.4	2.8	69	ID	790	0	0	4428	-
812	Campion R.C. Comprehensive	Hornchurch	CHC	0.93	5.3	15.6	2.6	74	CS	811	100	0	-	-
368	Cardinal Vaughan Memorial	Kensington	CO	1.06	5.8	18.3	2.8	63	CS	620	92	0	-	-
838	Cardinal Wiseman RC High	Greenford	CHC	0.74	4.4	11.6	2.3	67	CS	1517	48	0	-	-
89	Channing School	London	I	1.34	7.6	22.9	8.0	25	NC	467	0	0	5445	-
490	Chislehurst and Sidcup Grammar	Sidcup	G	0.92	5.8	18.4	2.7	127	ID	1168	50	0	-	-
31	City of London School	London	I	1.43	7.9	25.2	3.8	110	ID	872	100	0	5553	-
44	City of London School For	London	I	1.39	7.7	24.1	3.1	74	ID	660	0	0	4718	-
478	Colfe's School	London	I	1.00	5.0	17.3	2.9	93	CE	876	100	0	4674	-
828	Coloma Convent	Croydon	CO	0.83	4.6	13.4	2.2	87	CS	800	0	0	-	-
336	Croham Hurst School	South Croydon	I	1.09	6.1	18.8	2.8	61	ID	523	0	0	4248	-
62	Croydon High School	South Croydon	I	1.36	7.5	23.7	3.8	80	ID	1040	0	0	4428	-
553	Drayton Manor High	Hanwell	CO	0.98	6.1	14.8	2.3	82	-	1443	59	0	-	-
144	Dulwich College	London	I	1.24	0.9	81.6	2.9	168	CE	1390	100	6	5955	11910
736	Ealing College Upper	London	I	0.87	4.8	14.8	2.5	26	ID	169	96	0	3900	-
262	East Barnet	East Barnet	C	1.14	6.5	18.4	2.8	56	ID	1120	53	0	-	-
827	Ellen Wilkinson School fo	Acton	CO	0.93	0.4	10.8	2.8	61	N	1235	0	0	-	-
102	Eltham College	London	I	1.29	7.1	22.7	3.1	93	ID	758	94	1	5241	11061
688	Emanuel School	London	I	0.89	5.3	14.5	2.5	71	CE	752	100	0	4326	-
804	Enfield Grammar	Enfield	COf	0.84	5.2	13.0	2.3	73	N	1080	100	0	-	-
239	Forest Schools	London	I	1.15	6.0	19.8	8.0	117	CE	463	100	7	5274	8260
363	Fortismere	Muswell Hill	C	1.06	6.0	18.8	2.5	82	N	1265	56	0	-	-
110	Francis Holland Clarence Gate	London	I	1.29	7.4	21.7	2.8	38	CE	365	0	0	4950	-
286	Francis Holland School	London	I	1.12	6.6	16.7	2.7	16	CE	336	0	0	5475	-
30	Godolphin & Latymer School	London	I	1.44	8.0	25.1	8.1	102	ID	700	0	0	5385	-
886	Graveney Secondary	London	CO	0.79	4.8	12.1	2.2	81	N	1645	60	0	-	-
903	Green Girls	Isleworth	CHCf	0.78	4.7	12.6	2.2	56	CE	733	0	0	-	-
935	Hellfford / St David's	Shepperton	I	0.70	4.3	12.6	2.3	34	ID	276	100	0	4260	-
414	Hampstead Secondary	London	C	1.03	6.0	17.0	2.6	52	N	1168	53	0	-	-
211	Hampton School	Hampton	I	1.18	6.2	21.6	3.5	120		817	100	0	4650	-
34	Harrow School	Harrow on the Hill	I	1.41	7.6	24.7	3.2	158	CE	802	100	100	-	12900
216	Hasmonean High	Hendon	CO	1.18	6.8	18.4	2.7	94	J	900	56	0	-	-
250	Heathfield School	Pinner	I	1.14	6.4	19.5	2.8	31	ID	470	0	0	4428	-
878	Heathland	Hounslow, London	C	0.80	4.7	12.9	2.4	87	-	1518	53	0	-	-
53	Henrietta Barnett School, The	Hampstead	VG	1.37	7.8	23.4	3.0	91	N	650	0	0	-	-
822	Heston Community	Hounslow	C	0.83	5.0	18.3	2.3	46	IO	848	51	0	-	-
79	Highgate School	London	I	1.33	7.3	23.3	3.2	69	CE	562	100	7	6625	10725
343	Ilford County High	Barkingside, Ilford	G	1.08	6.1	18.5	2.8	103	N	770	100	0	-	-

An FT score of 1.00 = the FT-1000 national average. I = Independent school. G = Grammar school. C = Comprehensive school. For detailed key, see page 5

SCHOOLS 1,000 Listings

Rank	School	Town	Type	FT score	Points/ entry	Points/ pupil	Passes/ pupil	Number of candidates	Religion	Total pupils	Male %	Boarders %	Fees per annum £ Day	Boarding
GREATER LONDON (cont.)														
706	Ilford Ursuline High School	Ilford	I	0.89	5.1	14.8	2.9	91	CS	377	0	0	4122	-
329	JFS	Camden	CO	1.09	5.7	17.1	2.4	125	J	1434	47	0	-	-
51	James Allan's Girls' School	London	I	1.38	7.7	23.8	3.1	91	CE	1022	5	0	5505	10192
184	John Lyon School,The	Harrow	I	1.20	6.9	21.1	2.8	67	ID	508	100	0	5145	-
126	King Alfred School,The	London	I	1.26	3.6	22.3	2.0	19	IO	456	50	0	5970	-
11	King's College School	London	I	1.52	8.9	27.0	3.3	128	CE	699	100	0	5940	-
348	Kingston Grammar School	Kingston	I	1.08	6.0	18.5	2.8	72	CE	594	64	0	5130	-
646	La SWAP	London	SFC	0.91	5.9	14.2	2.2	285	IO	827	42	0	-	-
16	Lady Eleanor Holles	Hampton	I	1.51	9.1	27.0	3.6	60	CE	836	0	0	4755	-
611	Lady Margaret	London	CI	0.93	5.9	14.2	2.2	33	CE	406	0	0	-	-
929	Lampton	Hounslow	CI	0.76	4.4	12.6	2.5	41	ID	866	47	0	-	-
94	Latymer	Edmonton	GOI	1.30	7.2	22.7	3.2	162	N	1280	50	0	-	-
146	Latymer Upper School	London	I	1.24	5.8	21.3	3.0	105	ID	1067	100	0	5055	-
423	London Oratory	West Brompton	CO	1.03	5.2	19.5	3.9	154	CS	1223	93	0	-	-
49	Merchant Taylors' School	Northwood	I	1.38	7.7	23.0	3.0	115	CE	741	100	9	6351	10500
512	Mill Hill County High	Mill Hill	CO	0.98	5.6	19.9	2.8	60	-	1184	56	0	-	-
168	Mill Hill School	London	I	1.22	5.7	21.4	3.1	98	ID	546	94	37	7014	10584
691	More House School	London	I	0.89	5.1	15.1	2.4	19	CS	224	0	0	5205	-
699	Mount School	London	I	0.89	5.0	15.1	2.5	34	IO	483	0	0	3285	-
91	Newstead Wood	Orpington	GO	1.31	7.2	22.9	3.2	81	N	747	0	0	-	-
432	Nonsuch Girls High	Cheam	GO	1.02	5.9	17.2	2.8	105	ID	684	0	0	-	-
5	North London Collegiate	Edgware	I	1.59	8.5	28.3	3.4	115	ID	928	0	0	4611	-
953	North Westminster	Penfold Street	CI	0.71	4.4	11.1	2.1	82	-	1691	59	0	-	-
224	Northwood College	Northwood	I	1.17	9.8	19.5	2.7	34	ID	587	0	0	4584	-
32	Notting Hill & Ealing High	London	I	1.43	8.1	24.4	3.0	51		525	0	0	4428	-
130	Old Palace of John Whitgift	Croydon	I	1.26	7.1	21.5	3.0	71	CE	774	0	0	3717	-
197	Purcell School of Music	Harrow On The Hill	I	1.20	7.7	17.8	2.2	28		157	38	64	10635	16350
65	Putney High School	London	I	1.35	7.7	22.8	2.9	51	ID	848	0	0	4428	-
255	Queen's College London	London	I	1.14	9.6	10.1	2.6	45	CE	364	0	1	5565	8225
698	Queen's Gate School	London	I	0.89	5.2	14.6	2.6	19	ID	363	0	0	5180	-
946	Ravens Wood	Bromley	CO	0.82	5.0	12.0	2.4	42	ID	972	100	0	-	-
588	Royal Russell School	Croydon	I	0.94	9.3	16.3	2.5	48	CS	442	67	31	5070	9600
736	Sacred Heart of Mary R.C.	Upminster	CO	0.87	5.9	13.0	2.2	69	CS	740	0	0	-	-
16	South Hampstead High School	London	I	1.48	8.2	25.7	3.2	79	ID	834	0	0	4428	-
908	Southgate	Cockfosters	CI	0.77	4.8	12.0	2.0	112	ID	1527	51	0	-	-
957	St Angelas R.C.	Palmers Green,Enfield	CHCI	0.71	4.4	11.0	1.9	50	CS	443	0	0	-	-
281	St Benedict's School	London	I	1.12	6.3	19.2	2.7	66	CS	604	96	0	4635	-
610	St Charles Catholic College	London	S	0.83	5.0	13.5	2.5	180	CS	700	41	0	-	-
332	St Dunstan's College	London	I	1.09	6.2	16.5	2.9	62	CE	716	100	0	4836	-
731	St Edward's C.E.	Romford	C	0.86	5.1	14.4	2.5	54	CE	1048	51	0	-	-
82	St Helen's School	Northwood	I	1.33	7.9	22.7	3.0	80	CE	931	0	6	4545	8565
668	St Ignatius' College	Enfield	COI	0.90	4.8	16.3	3.2	64	CS	1100	100	0	-	-
438	St James Independent Boys	London	I	1.02	6.7	17.7	3.0	21	ID	158	100	0	4575	-
283	St James Independent Girls	London	I	1.12	5.8	17.0	2.9	14	IO	126	0	0	4575	-
174	St Martha's Senior	Barnet	I	1.22	7.0	20.4	2.0	11	CS	305	0	0	-	-
963	St Mary's High	Hendon	CO	0.70	4.1	11.3	2.1	29	CE	984	53	0	-	-
236	St Michael's Catholic Grammar	North Finchley	GO	1.15	9.6	19.8	2.8	56	CS	617	0	0	-	-
319	St Olave's	Orpington	GO	1.10	9.0	19.1	2.8	91	CE	654	100	0	-	-
10	St Paul's Girls' School	London	I	1.53	8.4	26.0	3.2	100	CE	510	0	0	6012	-
9	St Paul's School	London	I	1.56	8.6	30.7	3.9	135	CE	752	100	0	7782	12057
193	Streatham Hill & Clapham High	London	I	1.20	6.7	20.8	2.0	43		572	0	0	4428	-
200	Surbiton High School	Kingston	I	1.10	8.5	20.1	2.8	91	CE	832	13	0	4626	-
509	Sutton Boys Grammar	Sutton	GO	0.98	5.6	19.9	2.9	52	ID	655	100	0	-	-
88	Sutton High School	Sutton	I	1.31	7.3	22.8	3.1	68	ID	782	0	0	4428	-
530	Sydenham High School	London	I	0.87	5.7	15.9	2.8	45	ID	706	0	D	4428	-
947	Thomas Tallis	Greenwich	CI	0.73	4.5	11.1	1.9	51	IO	1250	56	0	-	-
158	Tiffin	Kingston	GO	1.22	7.0	20.6	2.9	117	IO	897	100	0	-	-
213	Tiffin Girls	Kingston	G	1.19	9.7	20.0	2.8	90	N	860	0	0	-	-
943	Tolworth Girls' School	Surbiton	C	0.74	4.9	10.4	1.9	69	N	1034	1	0	-	-
851	Trinity Catholic High	Woodford Green,	C	0.81	5.1	12.4	2.2	127	CS	1390	48	0	-	-
161	Trinity School	Croydon	I	1.23	9.8	21.6	3.1	101	CE	849	100	0	4911	-
20	University College School	London	I	1.48	8.2	25.5	3.1	96	ID	913	100	0	6495	-
293	Wallington High School for	Wallington	GO	1.11	8.6	19.2	2.7	95	-	826	0	0	-	-
460	Wallington County Grammar	Wallington	GO	1.01	5.8	17.1	2.9	97	N	-	-	-	-	-
997	Wembley High Secondary	Wembley	C	0.78	4.9	13.1	2.5	27	N	962	49	0	-	-
1	Westminster School	London	I	1.66	9.7	31.0	5.9	150	CE	663	89	32	9210	12900
93	Whitgift School	South Croydon	I	1.30	7.2	22.8	3.2	126	CE	1006	100	0	5235	-
441	Wilsons	Wallington	GO	1.02	5.6	17.2	2.7	80	CE	773	100	0	-	-
41	Wimbledon High School	London	I	1.40	7.9	24.0	5.1	51	ID	794	0	0	4428	-
257	Woodhouse College	London	6	1.13	8.5	19.0	5.1	305	ID	697	46	0	-	-
COUNTY AVERAGE				1.09	6.2	18.4	2.7	77		608			5134	10671
GREATER MANCHESTER														
169	Chetham's School of Music	Manchester	I	1.22	7.9	17.7	2.2	47	ID	271	41	82	11841	15288
981	Crompton House	Shaw, Nr Oldham	C	0.68	4.0	10.9	2.1	53	CE	1064	47	0	-	-
919	Holy Cross	Bury	6	0.76	4.5	12.4	2.9	427	CS	882	45	0	-	-
950	Hopwood Hall College	Middleton	S	0.72	4.9	11.8	2.1	232	ID	2263	49	0	-	-
7	Manchester Grammar School	Manchester	I	1.56	9.4	27.5	3.4	197	ID	1436	100	0	3990	-
75	Manchester High for Girls	Manchester	I	1.34	7.4	23.4	3.2	92	ID	959	0	0	3735	-
842	Oldham Sixth Form College	Oldham	S	0.82	4.8	13.5	2.9	366	N	-	-	-	-	-
550	Parrs Wood High	East Didsbury	C	0.97	5.9	16.0	2.8	73	N	1911	52	0	-	-
661	Queen Elizabeth Girls	Samsl	C	0.91	5.9	14.1	2.4	48	ID	1000	0	0	-	-
652	Rivington and Blackrod High	Horwich	C	0.91	5.4	14.9	2.3	66	CE	1639	51	0	-	-
380	St Bede's College	Manchester	I	1.06	6.0	18.0	2.8	110	CS	1115	56	0	3720	-
759	Stretford Grammar	Stretford	G	0.97	5.1	14.2	2.5	49	ID	580	49	0	-	-
610	Turton High	Bolton	C	0.94	5.4	15.7	2.7	131	ID	1479	49	0	-	-
773	Urmston Grammar	Urmston	G	0.85	4.9	14.2	2.7	61	ID	828	49	0	-	-
542	William Hulme's Grammar	Manchester	I	0.67	5.4	16.5	2.6	93	ID	796	70	0	3933	-
15	Withington Girls School	Manchester	I	1.40	8.3	26.0	3.2	61	ID	582	0	0	3585	-
COUNTY AVERAGE				1.00	5.8	16.5	2.8	133		1100			5134	15288

An FT score of 1.00 = the FT-1000 national average. I = Independent school. G = Grammar school. C = Comprehensive school. For detailed key, see page 5

SCHOOLS 1,000 Listings

Rank	School	Town	Type	FT score	Points/ entry	Points/ pupil	Passes/ pupil	Number of candidates	Religion	Total pupils	Male %	Boarders %	Fees per annum £ Day	Boarding
HAMPSHIRE														
733	Atherley School,The	Southampton	I	0.87	8.2	14.1	2.5	28	CE	395	0	D	4071	-
197	Bedales School	Petersfield	I	1.22	9.7	21.3	3.1	89	ID	391	47	61	6940	12376
502	Churcher's College	Petersfield	I	0.99	5.7	16.6	2.7	68	ID	687	71	7	4600	8982
934	Farnborough College	Farnborough	FE	0.75	4.9	11.8	2.2	60	IO	12300	49	0	-	-
201	Farnborough Hill	Farnborough	I	1.16	7.1	19.4	2.9	49	CS	538	0	0	4026	-
135	King Edward VI School	Southampton	I	1.26	7.0	21.8	3.0	147	ID	939	95	0	4497	-
360	Lord Wandsworth College	nr.Basingstoke	I	1.07	8.1	18.1	2.7	40	ID	437	93	73	7044	9012
968	North Foreland Lodge	Basingstoke	I	0.69	4.0	11.9	2.5	19	CE	179	0	100	-	10275
48	Portsmouth Grammar School	Portsmouth	I	1.39	7.7	24.0	3.0	93	ID	783	84	0	4356	-
96	Portsmouth High School	Southsea	I	1.30	7.1	22.8	3.2	53	IO	748	0	0	3804	-
687	St Anne's	Southampton	CO	0.89	5.3	14.4	2.5	73	CS	1151	0	0	-	-
955	St Edmunds Catholic	Portsmouth	COI	0.71	4.3	11.2	2.1	31	CS	999	49	0	-	-
849	St John's College	Southsea	I	0.82	4.8	13.4	2.5	61	CS	824	99	14	3376	6825
842	St Nicholas' School	Fleet	I	0.82	5.2	15.6	3.1	12	CE	370	1	0	3405	-
47	St Swithun's School	Winchester	I	1.39	7.8	23.7	3.0	48	CE	447	0	52	6465	10695
921	Taunton's College	Southampton	Sf	0.76	4.7	11.8	2.2	510	-	895	52	0	-	-
4	Winchester College	Winchester	I	1.65	9.6	30.2	3.9	143	CE	682	100	97	9591	12786
COUNTY AVERAGE				1.05	5.9	17.7	2.7	76		1337			5365	10135
HEREFORD AND WORCESTER														
879	Abbey High Secondary	Redditch	C	0.80	4.0	15.0	2.9	62	ID	672	48	0	-	-
138	Alice Ottley School	Worcester	I	1.25	7.1	21.3	3.1	59	CE	696	0	0	4515	-
225	Bromsgrove School	Bromsgrove	I	1.17	8.5	20.1	8.0	97	CE	616	61	41	5985	9510
107	Hereford Cathedral School	Hereford	I	1.19	6.7	20.7	3.0	73	CE	594	52	9	4350	7680
737	Holy Trinity School	Kidderminster	I	0.87	4.8	16.3	3.2	15	CS	325	3	0	9240	-
734	John Kyrle High Secondary	Hereford	C	0.87	5.2	14.1	2.1	50	ID	1005	50	0	-	-
146	King's School,The	Worcester	I	1.24	5.9	21.4	5.1	137	CE	772	77	11	5091	8793
879	Laye High	Redditch	C	0.80	4.9	12.5	2.3	26	-	532	50	0	-	-
203	Malvern College	Malvern	I	1.19	5.4	21.2	3.1	136	CE	869	79	84	6580	11790
14	Malvern Girls' College	Malvern	I	1.51	8.3	26.3	3.2	83	CE	468	0	88	7350	11026
864	Pershore High	Pershore	C	0.90	5.4	14.9	2.3	51	ID	925	51	0	-	-
556	Prince Henry's High	Evesham	CO	0.96	5.7	15.6	2.8	93	N	977	51	0	-	-
373	R.N.I.B. New College Worcester	Worcester	I	1.08	5.7	18.9	3.0	13	CE	121	52	97	-	-
186	Royal Grammar School	Worcester	I	1.20	8.6	21.2	3.3	93	ID	912	100	1	4200	-
603	St James's and The Abbey	West Malvern	I	0.84	5.6	15.0	2.8	31	CE	174	D	90	6984	10476
639	St Mary's Convent School	Worcester	I	0.92	5.3	19.5	2.5	27	CS	404	7	0	3319	-
COUNTY AVERAGE				1.05	5.9	19.0	2.8	64		630			5358	9874
HERTFORDSHIRE														
862	Aldenham School	Elstree	I	0.81	4.5	13.5	2.3	51	CE	326	97	82	8790	10980
153	Berkhamsted School	Berkhamsted	I	1.23	8.7	21.7	3.1	82	CE	462	100	15	6390	10410
116	Berkhamsted for Girls	Berkhamsted	I	1.27	7.0	22.2	3.2	50	IO	553	5	11	5196	8796
404	Bishop's Stortford College	Bishop's Stortford	I	1.04	5.9	17.7	2.8	71	IO	348	62	48	7770	10020
285	Bishop's Stortford High	Bishop Stortford	CO	1.12	8.1	19.7	3.0	102	-	110	84	0	-	-
693	Broxbourne	Broxbourne	CI	0.89	5.0	15.4	2.9	89	ID	1216	55	0	-	-
275	Dame Alice Owen's	Potters Bar	CO	1.13	9.5	19.8	2.8	112	ID	1199	50	0	-	-
25	Haberdashers' Aske's	Borehamwood	I	1.46	7.9	26.1	3.4	157	CE	1102	100	0	5334	-
22	Haberdashers' Aske's for Girls	Elstree	I	1.47	9.2	25.8	3.2	116	CE	1121	D	D	3915	-
196	Haileybury	Hertford	I	1.20	9.7	20.5	2.9	127	CE	588	88	70	8874	12240
624	Hemel Hempstead Secondary	Hemel Hempstead	C	0.93	5.5	14.9	2.4	84	ID	988	53	0	-	-
383	Herts and Essex High	Bishop Stortford	CO	1.08	9.0	17.9	2.7	102	N	1012	4	0	-	-
620	Parmiter's	Garston, Nr Watford	CO	0.93	5.2	18.0	2.8	84	IO	1060	50	0	-	-
262	Princess Helena College	Hitchin	I	1.19	6.5	19.1	2.8	19	CE	182	0	70	6750	9690
850	Queens'	Bushey	CO	0.81	4.8	13.3	2.4	71	ID	1216	55	0	-	-
424	Queenswood School	Hatfield	I	1.03	5.8	17.4	2.8	62	ID	406	D	61	6510	11001
820	Rickmansworth Masonic School	Rickmansworth	I	0.76	4.9	12.2	2.2	64	CE	652	D	40	4401	7677
604	Rickmansworth School	Rickmansworth	CO	0.94	5.4	16.8	2.7	71	-	1047	48	0	-	-
474	Roundwood Park	Harpenden	CI	1.00	5.4	17.9	3.3	59	-	903	58	0	-	-
397	St Albans	St Albans	C	1.06	8.3	17.3	2.5	97	-	1000	D	0	-	-
55	St Albans High for Girls	St. Albans	I	1.37	7.5	23.6	3.0	82	CE	676	0	0	4606	-
212	St Albans School	St. Albans	I	1.16	9.6	20.6	3.1	89	ID	611	97	0	9163	-
189	St Christopher School	Letchworth	I	1.20	8.9	20.3	3.0	24	IO	453	59	36	6975	10661
344	St Edmund's College	Ware	I	1.08	5.9	19.2	3.4	50	CS	564	64	32	5769	9016
531	St Francis' College	Letchworth	I	0.97	8.7	16.0	2.5	13	IO	330	3	14	4725	9210
702	St Margaret's School	Bushey	I	0.89	8.3	14.2	2.8	34	CE	429	D	35	5340	8460
779	Ward Freman	Buntingford	C	0.85	5.1	13.5	2.4	70	IO	686	54	0	-	-
396	Watford Grammar for Boys	Watford	CO	1.04	5.9	18.1	3.0	130	IO	1075	100	0	-	-
319	Watford Grammar for Girls	Watford	CO	1.10	6.4	18.1	2.9	114	ID	1076	0	0	-	-
COUNTY AVERAGE				1.07	5.0	18.1	2.9	79		737			5963	9838
HUMBERSIDE														
965	Hornsea Secondary	Hornsea	C	0.69	4.1	11.1	1.8	50	IO	1110	52	0	-	-
777	Hull Grammar School	Kingston upon Hull	I	0.86	5.0	13.8	2.3	12	CE	445	56	0	3568	-
273	Hull High School	Anlaby	I	1.13	6.6	19.8	2.8	10	CE	349	15	3	3795	6045
265	Hymers College	Hull	I	1.13	6.3	19.4	2.9	89		925	66	0	3330	-
808	John Leggott College	Scunthorpe	5	0.94	5.2	18.1	2.8	500	-	1200	48	0	-	-
381	Pocklington School	York	I	1.07	5.0	18.0	5.1	79	CE	726	68	16	4666	8355
653	South Hunsley	North Ferriby	CI	0.81	5.3	15.1	2.9	81	IO	1288	51	0	-	-
977	St James School	Grimsby	I	0.68	4.2	10.5	1.7	25	CE	263	61	25	4576	7695
960	St Mary's College	Kingston upon Hull	CHC	0.70	4.1	11.5	2.1	82	CS	1339	46	0	-	-
COUNTY AVERAGE				0.90	5.1	15.0	2.4	101		849			3965	7365
ISLE OF MAN														
643	King William's College	Isle of Man	I	0.92	5.2	15.5	2.9	40	CE	255	63	33	7725	10649
COUNTY AVERAGE				0.92	5.2	15.5	2.6	40		255			7725	10648
ISLE OF WIGHT														
996	Bembridge School	Isle of Wight	I	0.64	9.5	10.6	2.1	35	ID	283	66	50	4440	8910
416	Ryde School	Ryde	I	1.03	5.9	16.2	2.9	55	CE	495	51	12	4020	8026
COUNTY AVERAGE				0.83	4.5	14.5	2.5	45		389			4230	8468

An FT score of 1.00 = the FT-1000 national average. I = Independent school. G = Grammar school. C = Comprehensive school. For detailed key, see page 5